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## John Hay Whitney Is Dead; Publisher, Financier Was 77

**International Herald Tribune**  
NEW YORK — John Hay Whitney, 77, chairman of the International Herald Tribune, U.S. ambassador to Britain during the Eisenhower administration and a prominent philanthropist, died Monday of heart failure. He had been in declining health for several years.

Mr. Whitney was a leading figure on the American and European scene in a broad range of fields: publishing, art, philanthropy, equal rights, venture-capital investment, politics, education, theater and motion pictures, and horse racing.

The diversity of those interests mirrored his passion for life and his desire to contribute to the welfare of the nation and international well-being.

Heir to one of the great American fortunes, Mr. Whitney — known throughout his life as "Jock" — was also heir to a family legacy of distinguished political involvement. Both of his grandfathers had served in presidential cabinets.

The tradition of public service was one that he valued highly, and one of his life's guiding principles was that those who are born to great wealth must employ their resources and talents responsibly and usefully, in ways that contribute to the public good.

In addition to serving as ambassador to Britain, and working during his term to re-establish the "special relationship" between those two countries during the tense years that followed the Suez crisis, Mr. Whitney

filled positions on several presidential advisory bodies.

His passion for journalism forged a publishing empire, which included the New York Herald Tribune from 1958 until it closed in 1966. Determined to continue its Paris edition, he brought The Washington Post and The New York Times into ownership with him in 1967 of what was then renamed the International Herald Tribune.

Walter N. Thayer, president of Whitney Communications Corp., through which Mr. Whitney participated in the International Herald Tribune ownership, said in New York Monday that the company would continue to its ownership role.

Government and publishing were only two of Mr. Whitney's interests.

His business acumen produced a varied array of investment successes. His political commitment made him a generous contributor to the Republican Party and a counselor to its liberal wing. His philanthropy nurtured museums, hospitals and education. His private collection of neo-impressionist and fauvist paintings was regarded as probably the best in the United States. His interests in the theater and entertainment made him a frequent investor in stage and movie successes.

His convictions on racial equality led him to contribute substantial sums to methods of improving the lot of black Americans and other minorities. And his enthusiasm for sports put him to the front rank of horse racing.

Mr. Whitney is survived by his wife, Betty Cushing Roosevelt Whitney, Mrs. Whit-



John Hay Whitney

ney's two daughters by her first marriage, Mrs. Ronald Wilford and Kate Whitney, were adopted by Mr. Whitney. They also survive, as do eight grandchildren.

Funeral services will be held 11 a.m. Friday at the Christ Episcopal Church in Manhattan.

A full obituary appears on Page 5.

## West Gears For Clash At Madrid

### Battle Expected Over Polish Issue

**Reuters**  
MADRID — U.S. Secretary of State Alexander M. Haig Jr. met Monday with Leopoldo Calvo Sotelo, the Spanish premier, as his aides prepared a strong indictment of the military crackdown in Poland for Tuesday's opening of the Conference on Security and Cooperation in Europe.

Uncertainty over how the conference meeting would go appeared to concern Mr. Haig as he attended two meetings with Spanish leaders.

As he met José Pedro Pérez Llorca, Mr. Haig was heard to say, "A few surprises may be in order, if not inevitable" — an allusion to the conference meeting.

Later, as he called on Mr. Calvo Sotelo, he told a reporter: "We expect everything to go like clockwork."

Mr. Haig also met Hans-Dietrich Genscher, the West German foreign minister, Monday night in an effort to shape Western unity on strategy at the conference.

U.S. officials said privately that they were uncertain late Monday whether the Polish chairman of the conference, Józef Wleciński, might try to stall Tuesday, when Mr. Haig is scheduled to speak. Mr. Wleciński has drawn up his own list of speakers, which is believed to be heavily weighted in favor of the seven Soviet bloc delegates.

The officials held up the possibility that Mr. Haig might walk out, but they thought it was unlikely that the Polish chairman would try to prevent the United States from using the conference as a forum for criticizing Moscow and Warsaw.

Clashes were expected when foreign ministers and other top officials from 18 Western and neutral countries try to speak on the Polish crisis, ignoring Soviet bloc claims that military rule in Poland is solely Warsaw's business.

Delegates from NATO, the European Economic Community and neutral and nonaligned nations met separately in caucus groups, hoping to avoid a procedural battle over the West's insistence on focusing on both the Soviet Union and the Polish military regime.

In recent weeks, the United States has urged that the Madrid

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## Poland Seeks to Loosen Economic Ties to West

By John Darnenton

New York Times Service

WARSAW — The government Monday released the outline of a program for economic and political changes that was aimed, it said, at making Poland economically independent from the West and self-sufficient in food production.

The program, discussed Friday at a Cabinet meeting, calls for the planning commission and various ministries to submit plans in February, March and April for the country to overcome the economic and political crisis.

Only the broad, overall goals were announced Monday. These included an expansion of trade and economic cooperation with other Communist countries, a reorientation of industrial production for agriculture, a move to lessen the dependence of the economy on imports from the West, and wage and pension reform.

"Recommendations were issued to work out assumptions for restructuring the economy, aiming to regain Poland's economic sovereignty," the report on the meeting by the government press spokesman said.

The program was a further re-

finement of the line laid down by Gen. Wojciech Jaruzelski in a speech to Parliament Jan. 25. The meeting of the Council of Ministers on Friday — and the extensive publicity given in it Monday — represented an effort to give the impression that the martial law government is actively tackling the country's problems.

One major problem, with the Solidarity union still suspended under martial law, will be the shape of the trade union movement. Monday's document did not shed much light on this, although it said that a committee headed by Deputy Premier Mieczyslaw Rakowski would present this month "a set of political premises for re-creating the trade union movement."

The unions, it said, would be "autonomous, independent and self-governing representatives of the workers, but it added that they must be "harmoniously connected" with the overriding goal of "consolidating the state and the Socialist democracy."

Some observers, the phraseology suggested a possible retreat from the pledge that Solidarity would be revived as a genuinely independent organization. It subor-

ordinated that union's future to the line of the cohesion of the state.

With Solidarity leaders in detention, including Lech Walesa, apparently refusing to give way on matters of principle on the holding of talks, the government appears to be taking a harder line toward the union. This can be seen in both the public comments in the official media and the private remarks of government officials.

On Monday, a new series called "We Accuse" began over national radio. It is a compendium of quotations from Solidarity leaders and interpretations designed to substantiate the notion that the union was after nothing less than a seizure of power and the overthrow of Communism.

Numerous newspapers have begun carrying extensive "exposés" trying to show that Solidarity leaders were undemocratic and loose with union funds. Charges of embezzlement have been raised.

A recent issue of *Zolnier Wolności*, the army newspaper, harped on what it called "the backstage activities of those who termed themselves heralds of moral rebirth." It compared what it claimed were financial irregularities.

(Continued on Page 2, Col. 5)

## Reagan Team Opens Drive to Sell '83 Budget Amid Warnings on Cuts, Deficit in Congress

By David S. Broder  
and Herbert H. Denton

Washington Post Service

WASHINGTON — The Reagan administration has begun its drive to convince a skeptical Congress of the wisdom of the president's fiscal 1983 budget and the \$91.5-billion deficit it would entail, a deficit that both Democrats and Republicans on Capitol Hill see as a threat to recovery from the current recession.

Yet there was also talk by White House aides and congressional Democrats of taking a major step that would almost certainly add to the deficit: speeding up the date of this summer's large tax cut.

President Reagan signed the budget Monday at the White House, saying the measure was the "second step toward economic recovery."

He met with congressional leaders before departing for a series of speeches to Minneapolis, Des Moines, Iowa, and Indianapolis, Ind., designed to sell his budget and the companion program to

The deficit forecast in the budget joined businessmen and stock prices plummeting. Page 7.

turn more than 40 federal programs over to the states.

After meeting with the president, House Speaker Thomas P. O'Neill Jr., Democrat of Massachusetts, told reporters, "It's going to be a more interesting year, this year. We are going to have a lot of victories," he said, meaning the events.

Even Senate Majority Leader Howard H. Baker, Republican of

Tennessee, spoke of congressional "modifications" in the proposed \$77.6-billion budget.

Following the White House meeting, he said that the "president's budget, perhaps with some modifications, is going to be passed."

Rep. O'Neill said Mr. Reagan has spent too much time with "that country club-style of people" and has lost touch with the public. "He has forgotten his roots," the congressman said.

But Sunday, White House counselor Edwin Meece 3d advised doobies: "Never underestimate the president's ability to mobilize the American people behind his policies."

That is the objective of Mr. Reagan's two-day, three-state trip. But he left accompanied by warnings that his effort to increase military spending by nearly a fifth while cutting all but a few basic domestic programs almost as much will face considerable opposition in this election year, not just from the affected interest groups and congressional Democrats, but also from key Republicans as well.

During the budget-signing ceremony, which preceded its formal presentation to Congress, Mr. Reagan denied critics' charges that it was more burdensome on the poor than the better off.

"We are still continuing to increase steadily our spending on social programs," he said. But he added, "Do we honestly believe that someone whose parents earn in six figures is entitled to have food stamps because they're going to college? That's what's been going on."

And the president, told of Rep. O'Neill's gibe about his hanging around with a "country club-style of people," countered: "I've only played golf once since I've been president, and he's an inveterate golfer. And I'm sure he must have to go to a country club to play golf."

"The Republicans I talk to ...

are frightened about the deficit," said Robert J. Dole, the Kansas Republican who is chairman of the Senate Finance Committee.

He predicted that Mr. Reagan's proposals to trim food stamps and other domestic spending would have a difficult time in Congress.

"The president's budget will be difficult to pass in its entirety," said House Minority Leader Robert H. Michel, Republican of Illinois.

Rep. Barber B. Conable Jr., a New Yorker who is the ranking Republican on the House Ways and Means Committee, cast doubt on the prospects for the half-dozen small tax increases Mr. Reagan proposed.

The representative said he did not agree with the basic premise behind the proposed minimum tax on corporations, that the proposed 5 percent withholding of interest and dividends does not have a chance and that the entire tax proposal could become a vehicle for Democratic "mischievous."

Mr. Meece and David A. Stockman, the director of the Office of Management and Budget, took a more optimistic approach in television appearances Sunday. Mr. Meece said, "The president still has strong support in the country. People still like his programs. They feel that with his programs we will be better off in the future."

And Mr. Stockman said that "as Congress looks at the hard, stark choices available, they will understand very quickly that unless measures of the magnitude that we have proposed by way of savings are adopted, that then there could well be a severe threat to the economic recovery."

Meanwhile, there were reports that the weekend meeting of Mr. Reagan's senior staff members and political advisers at Camp David produced a consensus that the president faced a difficult battle in his efforts to repeat his 1981 budget and tax victories in Congress.

## Weinberger Accuses Russia of Violating Pact On Biological Weapons, Urges Trade Curbs

By Michael Gerdler

Washington Post Service

WASHINGTON — Defense Secretary Casper W. Weinberger, in an annual report sent to Congress Monday, accuses the Soviet Union of violating treaties on biological weapons and calls, in the strongest terms, for restrictions on Western trade, technology and credit that "help preserve the Soviet Union as a totalitarian dictatorship."

The 324-page report, which describes an evolving military strategy of countering the Russians where they are vulnerable rather than only where they may attack in strength, also establishes Mr. Weinberger as probably the most hard-line, anti-Soviet voice to emerge publicly in a U.S. Cabinet in many years.

The report outlines and explains a record \$1.6-trillion, five-year defense plan to build up forces that the president and Mr. Weinberger contend had been allowed to deteriorate badly in the last decade, especially during the Carter administration, while a Soviet buildup proceeded without interruption.

Although it is normal for a defense secretary to cite a Soviet threat to support requests for budget increases, the sweep of Mr. Weinberger's denunciations go be-

yond traditional military concerns and into the field of trade. They come at a time when the administration is divided over how to manage its fundamental economic relationship with Moscow.

Weinberger says that cutting the \$216-billion U.S. military budget would be "tragic." Page 3.

Mr. Weinberger last week opposed an administration decision to pay off U.S. banks that were owed money by Poland rather than allowing Warsaw to go into default, and the report Monday by the defense secretary, a close and influential adviser to President Reagan, makes clear that that battle is far from finished.

The report, issued while Mr. Weinberger is traveling in the Middle East, says, "I have the responsibility to tell you that, in my view, no defense policy, no strategy could succeed in the long run unless we pursue a policy that ensures that our resources will not be diverted to strengthen our adversary."

"The only domain in which Soviet Communism has not proved to be a failure is the practice of military imperialism," he says. U.S. defense strategy must do two

things: halt further expansion of the Soviet empire and see to it that Western productivity and technology are not exploited to make good the chronic deficiencies of the Communist system."

"If the economy of the Soviet empire is propped up by Western credits," Mr. Weinberger says, the Russians can divert their funds to build weapons with which to threaten the West. Purchase of Soviet raw materials such as natural gas, which West Europeans are about to do on a massive scale, provides Moscow with money for weapons. Western technology keeps Soviet industry from becoming obsolete and thus allows the Kremlin, with its "fatally flawed" central planning system, to avoid choosing between its military priorities and modernization, he contends.

"Many Good Reasons"

It is "a testimony to the degree of our past blindness," Mr. Weinberger contends, that so much Western trade has flowed eastward that Moscow now has leverage on the West rather than the other way around.

The report, which comes while the United States is considering whether to continue talks with Moscow on controlling nuclear

missiles, also says that Washington "now has many good reasons for believing that the Soviet Union has violated the Biological Weapons Convention" of 1925.

The defense secretary cites a 1979 incident in the Soviet city of Sverdlovsk that suggested biological weapons may be produced there secretly and more recent evidence of toxic weapons being used in Laos, Cambodia and Afghanistan.

Mr. Weinberger says these incidents "create a most serious problem for any new arms agreement with the Soviet Union." What is left, he asks, of the concept of verifiability if the Soviets were cheating?

In making a record peacetime military spending request to combine with a warning that Soviet military power "is the single greatest threat to the United States and the free world," Mr. Weinberger is seeking to do more than just get the budget through Congress and send a signal to Moscow, officials say.

Some officials suggest he may be trying to prepare U.S. public opinion for a prolonged period of U.S.-Soviet tensions. Mr. Weinberger is also aware that big increases in military spending to the face of re-

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## U.S. Report on Rights Reflects New Priority

By Don Oberdorfer

Washington Post Service

WASHINGTON — The Reagan administration, in its first worldwide human rights report to Congress, has downgraded economic and social rights while placing increased priority on criticizing political shortcomings of the Soviet Union and its allies.

At the same time, however, the 1,142-page report made public Sunday on Capitol Hill closely resembles in many respects the 1,140-page document on the same subject submitted by the Carter administration in its final days of office early last year.

The most clear-cut shift in the report covering 159 countries and social rights on grounds that this concept "is easily abused by repressive governments" to justify political abuses.

The Carter administration had included "the right to the fulfillment of vital needs such as food, shelter, health care and education" among the internationally recognized human rights covered by its reports to Congress.

Imprint of Abrams

The report made public Sunday, reflecting continuity as well as change, appears to bear the imprint of Elliott Abrams, the 34-year-old "neoconservative" who was picked last October to be assistant secretary of state for human rights. An internal State Department memo in connection with his nomination argued that human-rights policy can be credited in attacking the Soviet Union only if it also addresses human-rights violations of friendly nations.

Political strife in El Salvador, which is probably the most politically sensitive problem country for the Reagan administration at present, claimed at least 6,116 lives during 1981, according to U.S. embassy data cited in the report. However, the study noted that some church sources claim the actual death toll among noncombatants is twice as much.

"Extreme leftist terrorists and guerrillas, right-wing death squads and some members of the government's internal security forces all had a hand in the violence," the report said. It did not assign shares of the violence to the left or right, saying that "in the vast majority of killings it is virtually impossible to determine who is to blame."

Findings about other countries in the report include:

• Soviet Union. "Intolerance" to and "repression" of political dissidents grew worse in 1981, with about 10,000 dissidents believed to be imprisoned, exiled or undergoing forced labor. In all, four million Soviet citizens are reported to be undergoing forced labor, half of them in prisons and labor camps.

• Poland. "Progress toward a free and more open society ceased" with the imposition of martial law on Dec. 13.

• China. "A more prosperous and open society" since the death of Mao in 1976, but "significant limitations on individual rights and freedoms" remain.

• Taiwan. An "uneven" human-rights situation was clouded in 1981 by "the mysterious death" of a Taiwan-born American resident, Prof. Chen Wen-cheng of Carnegie-Mellon University of Pittsburgh.

• South Korea. "Strong law and order measures" of President Chun Doo Hwan dominated the climate for political and civil rights.

• Israel and Israeli-occupied territories. The "complex human rights situation" in the occupied territories does not provide "all the human rights guarantees available within Israel itself."

• Egypt. Despite a tendency "to react with heightened sensitivity" to opposition criticism, government measures "remained within the bounds of constitutional and other legal safeguards" established there.

• Turkey. The martial-law government brought a "substantial improvement in one aspect" of human rights by stopping terrorism. Military commanders continue to exercise "wide-ranging powers" over press, trade unions and the right to assemble.

• South Africa. "1981 saw the continued existence of the apartheid system but also some movement toward modification of that system."

• Nicaragua. Civil and political liberties "deteriorated in 1981. About 4,500 political prisoners are being held."

• Guatemala. Politically motivated killings rose from 70 to 100 monthly in 1980 to 250 to 300 monthly last year. More are probably attributable to "the extreme right" or "government forces" rather than to "the extreme left."



Polish miners carrying the body of a striker from the Wujek mine in Katowice after a bloody battle with government forces Dec. 16 in which seven miners were killed. The picture was taken by a Solidarity underground photographer and smuggled out of Poland by an American reporter.

## Haig Rebuts Salvadoran Parallels to Vietnam

### He Again Refuses to Rule Out Military Force as an Option in Caribbean

By Bernard Gwertzman

New York Times Service

WASHINGTON — Secretary of State Alexander M. Haig Jr., refusing again to rule out the use of military force to the Caribbean region, says it is wrong to draw parallels between U.S. involvement there and in Vietnam because Central America is at the heart of Washington's strategic concerns.

In an interview in his office on Friday, Mr. Haig spoke at length about the debate over the administration's concerns about Cuban and Soviet backing for insurgents in the region and the increase in U.S. military and economic aid for the area.

Mr. Haig flew to Madrid on Sunday for a meeting of the Conference on European Security and

Cooperation. He will continue to Portugal, Morocco and Romania.

Some critics, such as Rep. Gerry E. Studds, a Massachusetts Democrat, have charged that by siding with the government in El Salvador the administration was making the same mistakes that drew the United States into the Vietnam War. Mr. Studds and other critics have accused the Salvadoran government of being repressive and have urged the administration to pressure it into negotiating with leftist insurgents.

Mr. Haig, who has been outspoken in his alarm at what he regards as growing Cuban and Soviet support for subversive and insurgent movements, was asked about Defense Secretary Casper W. Weinberger's reported view that U.S.

military action in the region was not practical, given the lack of popular support for it in the United States.

"There are no current plans for the use of American forces," he said. But on the other hand, "the sterility of drawing lines around America's potential options constitutes the promulgation of road-

Study says U.S. erred in making its objective the Viet Cong instead of North Vietnam's Army. Page 3.

ways for those who are seeking to move against America's vital interests."

He said such statements were self-defeating and that no prudent sovereign state would rule out options in advance.

Mr. Haig has repeatedly refused to bar the use of U.S. forces in the region, even though President Reagan has said there were no plans to send combat forces anywhere, and Mr. Weinberger has been clearly unhappy with the prospect of becoming involved in the Caribbean.

When asked about a possible Vietnam parallel, Mr. Haig said that "I think the Central American case is very, very different."

In the Vietnam case, he said the United States had difficulty deciding whether the country was "a vital challenge to fundamental American interests."

"Had it been determined at that time that South Vietnam was indeed a vital challenge to fundamental American interests, then perhaps some of the conduct of the whole affair would have been somewhat differently handled," he said.

Describing the situation in Central America, Mr. Haig said: "It could threaten even our closest neighbors."

He added: "We're talking about the strategic vulnerability of the [Panama] Canal, our fundamental dependence on its being retained to friendly hands. We are, in effect, at the very core of United States hemispheric interests. The history of the region, of the disputes to the region, to no way parallel the anguish and the ambiguities associated with Southeast Asia, starting with the French, the North-South demarcation question, and the internal debates associated with who were the true proponents of social justice."

When reminded that there was some similarity between the present criticism of U.S. policy to El Salvador and that of U.S. involvement in Vietnam in the 1960s in that in both cases dissatisfaction with support for the governments involved was a central point, Mr. Haig retorted: "We've never suggested that we are comfortable with the current situation in Salvador."

He said the administration was pressing for the Salvadoran government to carry out its plans for social change and was doing all it could to ensure fair elections. He said that the United States had refused to press the Salvadoran government to negotiate with the in-

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As the shock waves from Laker Airways' dramatic corporate failure rippled through an already gravely troubled airline industry, there were recriminations and angry questions. Page 2.

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The United Arab Emirates oil minister says he and his counterparts plan this week to discuss holding an emergency OPEC meeting on the softening world oil market. Page 7.

### French Policy

In a bid to reassure international business leaders about the policies of France's ruling Socialists, Prime Minister Mauroy told a Paris conference that France's recovery program has achieved some initial success. Page 2.



## Mauroy Claims Success For Socialist Policies

By Joseph Fitchett  
and Axel Krause  
International Herald Tribune

PARIS — In a bid to reassure international business leaders about his Socialist government's policies, Prime Minister Pierre Mauroy told a conference Monday that France's economic recovery program has achieved some initial success and that similar expansionist policies are emerging in West Germany and Belgium.

Mr. Mauroy emphasized the government's commitment to encouraging foreign investment as part of France's drive to modernize its industry. He announced that the government will double the financial incentives to new investments.

Other French Cabinet ministers, speaking later at the conference, sharply attacked the Reagan administration for its refusal to intervene against high interest rates and a soaring dollar, which one minister described as a "European obsession."

Current U.S. economic policies, several ministers warned, threaten to undermine transatlantic political relations and security cooperation.

### Commercial Unity

Jacques Delors, minister of the economy and finance, and André Chénedegat, minister for European affairs, called for closer European cooperation to defend the commercial unity of the 10 member nations of the Common Market and enable them to compete against Japan and the United States.

Addressing about 250 executives and bankers from Western Europe, the United States and Japan at a conference sponsored by the International Herald Tribune on "New French Economic Policies," the ministers vehemently rejected suggestions that France is pursuing protectionist policies.

They criticized what they called abuses by some of France's trading partners, citing Japanese non-tariff barriers and subsidized agriculture in the United States — examples of what they said were other governments' techniques for helping crisis-stricken industries and farming.

Discussing the French economic

my's performance since the Socialist electoral victory last spring, Mr. Mauroy said that initial improvement is already "tangible." He cited a slowdown in inflation from 14 percent in 1980 to 12 percent in the final quarter of 1981, an increase in industrial demand and an inventory buildup. He said that there was "a strong and steady economic pickup" in France and praised the policies of West Germany and Belgium for taking "a similar path" of expansion.

### Nationalization Defended

Mr. Mauroy and his ministers defended the government's controversial nationalization program, explaining that the new government-run groups would be expected to compete profitably in world markets without long-term government financing or orders.

Similar industrial policies already exist elsewhere in Europe and Japan, but in different forms, Mr. Mauroy said. Both the Japanese and West German governments, he said, had found ways of helping key industrial sectors modernize.

In France, "we nationalize," he said. The French government's final version of the nationalization law is now being reviewed by the Constitutional Council after an earlier ruling forced the government to increase shareholder compensation substantially.

For new foreign investment, Mr. Mauroy outlined three basic criteria:

- Creation of jobs. Government financial incentives — to double in a few weeks — will be based on each project's potential for employment in depressed areas such as northern and central France.

- Advanced technology. Preference, he said, will go to companies introducing new technology and know-how.

- Balance of trade. Foreign companies coming to France will be expected to contribute both to domestic production and to French exports.

Some apparent limitations and contradictions in French policy also surfaced in conference discussions Monday.

Listing some questions being debated in France, Thierry de Montbrial, director of the independent French Institute for Foreign Relations, said that the government often appears uncertain about whether the nationalization plan is intended to force an economic *plan de frappe* or a laboratory for social reform.

It remains unclear, for example, how much longer France can continue relying on government deficit spending to finance expansion, Mr. de Montbrial said.

Discussing the question of U.S. interest rates, Mr. Delors said that they have become the major outside obstacle to investment and expansion because they force up the cost of borrowing in Europe.

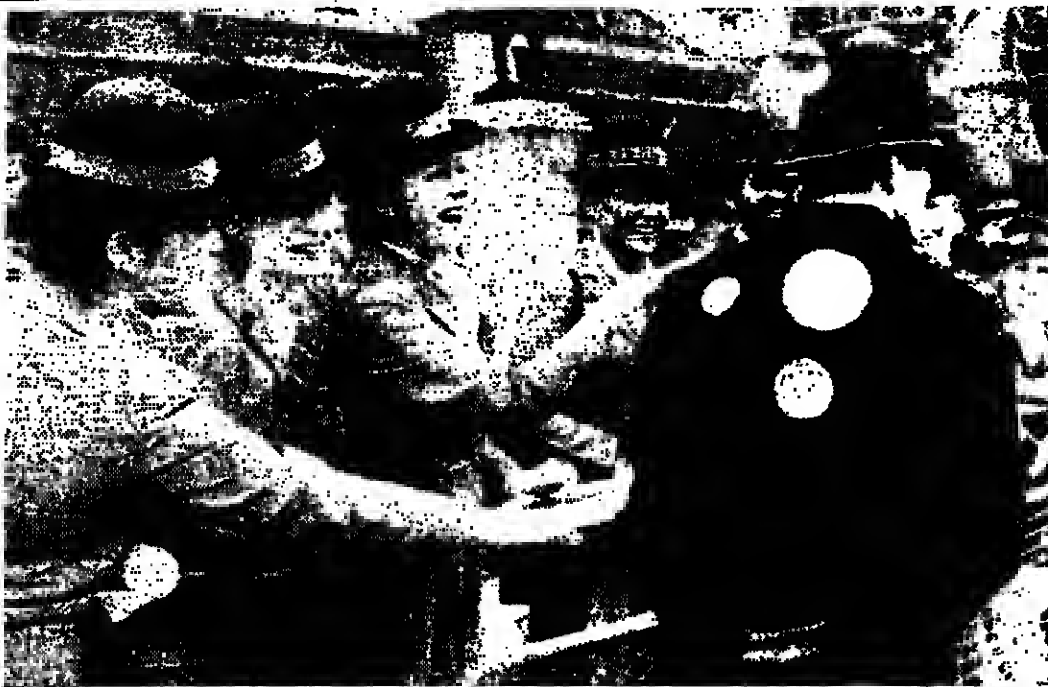
Warning of Backlash

Both Mr. Chénedegat and Michel Jobert, minister of foreign trade, warned that Washington is taking a political backlash in Europe because of its continuing unwillingness — repeated over the years since the Reagan administration took office — to intervene in U.S. money markets and reduce interest rates.

Mr. Delors said France hoped that European governments, the United States and Japan could agree on a coordinated approach to interest rates and other monetary problems at the industrial nations' Versailles economic summit in June.

He said that discussions were under way among Europeans to try to forge a European "make" on interest rates to create a protected zone of lower charge, but he did not elaborate.

As a last resort, Mr. Delors said, France would adopt a "purely French solution" for bringing down its interest rates.



Employees of Laker Airways decorating a London policeman Monday as they held protests at Downing Street and outside Parliament calling for government support for the troubled company.

## For Sir Freddie, It Was a Battle To the Very End to Save His Airline

By William Borders  
New York Times Service

LONDON — It was nearly dawn last Friday when Sir Freddie Laker, his eyes red with fatigue, his customary grin missing, finally conceded defeat.

On the runways outside his office at Gatwick Airport, 27 miles (43 kilometers) south of London, Sir Freddie's celebrated Skytrains were landing from their super cheap trips across the Atlantic, as he wearily informed an emergency meeting of his board of directors that those flights would be the last.

[A plan by a Canadian bank to bail out Sir Freddie's airline collapsed Monday night and the British government again refused to come to his rescue, Reuters reported Monday from London.]

[The Orion Royal Bank, a subsidiary of the Royal Bank of Canada, said its proposed £35-million (about \$19-million) package to save Laker Airways had fallen through because it could not reconcile the interests of all creditors, Reuters said.]

[Earlier, about 2,000 Laker staff members were rebuffed when they marched to see Prime Minister Margaret Thatcher to seek government help for Sir Freddie.]

### Last-Ditch Battle

On Thursday night, Sir Freddie had stayed up in a last-ditch battle to save the airline that his dreams and enthusiasm had built. Maybe he could raise enough cash to tide him over and satisfy the bankers by selling part of his holiday business to a competitor, he told an associate Thursday night.

They rushed to a fourth-floor suite at the new Gatwick Hilton and tried until nearly 2 a.m. to put together a deal.

"He was businesslike and composed, as usual," said a man who was at that meeting. "But in the end it didn't work, and Freddie knew there were no other hopes. He was shattered."

## Haig Rebutts Comparisons Between Vietnam, Salvador

(Continued from Page 1)

surgents for a sentiment because that would give them power that they had not been able to acquire otherwise.

He said Vietnam "left deep, deep scars," and that opponents of military involvement in Central America had been able to "structure parallels between the two situations obviously that ignore basic differences between the two situations."

"I don't think any American wants or would be enthusiastic about another American military involvement," he said. But he asserted that Americans have viewed the threat from Cuba historically — even during the Vietnam period — as one "which they do not take lightly."

To back up his claims of Cuban military activity, Mr. Haig read from a list of new equipment received by Cuba from the Soviet Union last year — a year in which he said 66,000 tons were shipped to Cuba aboard about 30 Soviet ships.

In addition to the arrival of new MiG-23s that had been previously disclosed, he said that the Cubans had also received various minisubmersibles and missile attack boats, additional anti-aircraft missiles and improved air defense radar.

Asked if the Cubans might have arranged to obtain the

### Italy Truck Drivers Strike

MILAN — Hundreds of thousands of truck drivers began a three-day national strike Monday for cheaper diesel fuel, raising the threat of shortages of food.

As the shock waves from this huge, dramatic corporate failure rippled through an already gravely troubled airline industry, there were recriminations and angry questions. Whose fault was the failure of Laker Airways, and how was it allowed to happen?

One view was that "the big guys," as Sir Freddie called his giant competitors, had done him in — that Pan American, Trans World Airlines and British Airways had matched his low transatlantic fares hoping to drive him out of business, so they could then push the fares back up again, as they now seem almost certain to do.

[Transatlantic fares on several routes will rise by an average 15 percent on March 1 and another 7 1/2 percent in May following the demise of Laker Airways, rival airlines said Monday, The Associated Press reported.]

A different interpretation held that it was, ultimately, Sir Freddie's own fault — that he had forced fares down to a level at which all airlines would inevitably lose money and that he was trying to expand on a capital base that could not sustain such expansion.

Or some might blame the bankers for allowing Laker to build up debts of one-third of a billion dollars when the shakeup of the airline business was no secret.

In any case, the Laker collapse became inevitable, insiders say, at a meeting last Wednesday, when Civil Aviation Authority officials met at a London hotel with representatives of McDonnell Douglas, supplier of Laker's DC-10s and the Clydesdale Bank, Laker's principal bankers, to review the airline's immediate financial outlook.

Clydesdale, part of the Midland group, had reached the point where it was paying Laker's salaries and fuel costs, out of an overdraft that had grown to about \$30 million. Obviously Laker needed much more money than the \$23

million or so McDonnell was prepared to offer as a loan.

On Thursday, Midland summoned Sir Freddie to its main office across the street from the Bank of England and, in effect, pulled the plug. It was over.

After lunch, Sir Freddie made a gesture that must have gone against a lifetime's worth of free enterprise instinct. He phoned Ian Sproat, undersecretary of state for trade, and said the company was about to go broke.

There is some question about whether he actually asked for government help or just hinted about it.

Mr. Sproat informed Prime Minister Thatcher. The prime minister, who has long been a great admirer of Sir Freddie, called an emergency meeting Thursday afternoon of the chancellor of the exchequer and some other Cabinet ministers, not really to consider a government aid — which would have been very difficult politically — but just to "go over the ground and make sure that everything possible had been done," as an official said.

It had, and Sir Freddie was given the bad news from Downing Street.

Ever hopeful, he had persuaded Midland to give him until 8 a.m. Friday. At this point he began the long, unsuccessful meeting at Gatwick with Harry Goodman, chairman of Intasun Holiday Co., with a view toward selling him some of the Laker operation. After that failed, Laker issued the bankruptcy announcement some people had been expecting for months.

### Sale Expected

LONDON (AP) — Receiver William Mackey of the accounting firm of Ernst and Whinney, the bank-appointed receiver of Laker Airways, said Monday he would probably start selling off chunks within 48 hours.

## Poland Seeks To Alter Ties

(Continued from Page 1)

ties in the union's Gdansk chapter with the embezzlement and flagging of the state-run radio and television committee during the administration of Edward Giersek.

Monday's document from the Council of Ministers laid primary emphasis on economics, conceding further deterioration in the economy. The major problem, it said, was a lack of raw materials and spare parts from the West, caused partly by the country's lack of hard currency for imports and by the recent sanctions imposed by Washington and London.

The program called for a switch in production to articles that can be manufactured from domestic raw materials and also for expanded cooperation with Comecon, the Socialist trading bloc.

Simultaneously, the Polish news agency announced a devaluation of the Polish zloty in relation to the currencies of fellow Comecon countries, reflecting the drop in the purchasing power of the zloty.

In another announcement, Warsaw radio said that the registration of unemployed males was proceeding and that industrial calm prevailed throughout the country. Under martial law regulations, all males between the ages of 18 and 45 must work.

Meanwhile, about 12,000 students at Warsaw University resumed classes after a two-month break, and other universities were also reopening. As a sign of further easing in tensions, policemen in front of the U.S. Embassy permitted Poles to enter to apply for visas for the first time since martial law was imposed Dec. 13.

## OAU Seeks To Step Up Sahara Plan

Polisario, Morocco Urged to Negotiate

Reuters

NAIROBI — African states tried Monday to force the pace of a peace plan for the protracted Western Sahara war by urging Morocco and the Polisario guerrillas to the conference table.

In a break with previous diplomatic practice, foreign ministers of the Organization of African Unity recommended that the warring parties — Morocco, which administers the area, and the Polisario fighting for its independence — negotiate on the peace proposals.

The time has come to name the two parties concerned, in the past there has been avoidance of this issue, "said OAU secretary-general Peter Onu told reporters.

The plan was drawn up last weekend by the foreign ministers and will be put to a two-day session of the OAU's seven-nation Western Sahara Committee, over the next two days.

Delegates said the discussions would be tortuous since Morocco has consistently refused to negotiate with the Polisario. The guerrillas have said there can be no end to the fighting until Morocco discusses a cease-fire with them.

Senior Moroccan officials said that as far as Rabat was concerned the two parties were Morocco and Algeria, which has backed the Polisario's independence war.

Just how the committee, including four heads of state, will bring the two sides to the conference table has been left open. "These proposals contain recommendations that the summit would have to put before the two parties concerned in a manner that the summit will decide," Mr. Onu said.

The proposals, first drawn up at an OAU meeting here last August, call for a cease-fire in the phosphate-rich former Spanish territory followed by a referendum to determine whether its inhabitants want independence or integration with Morocco.

### Call for UN Role

Refined over the weekend, the plan now proposes that either the United Nations or a mixed UN and OAU force play a peacekeeping role in the area and organize the referendum.

Last year the UN General Assembly passed a resolution saying that it would support and even finance a referendum in the Western Sahara. Delegates said there would be strong pressure to ask the UN to play the peacekeeping role.

Both the Polisario and Morocco have agreed to a referendum and Morocco's King Hassan II has said it could be held in the first half of this year. But sharp differences over who should be allowed to vote still separate the two sides.

Morocco says it wants to carry out what it calls a controlled referendum supervised by the OAU but the guerrillas want Morocco to withdraw from the territory altogether while the poll is being conducted.

## Black Unions Call National Walkout In South Africa

Reuters

JOHANNESBURG — Black trade unions in South Africa called Monday for a 30-minute nationwide stoppage Thursday to mark the death of police detention of a white union organizer.

Neil Aggett, 28, Transvaal secretary of the Food and Canning Workers' Union, was found hanged in his cell at Johannesburg's John Vorster Square police headquarters last Friday.

Police said that he took his own life. But the death has caused widespread protests and condemnation of South Africa's tough security laws which allow such detention without charge almost indefinitely.

Union leader Jan Theron, calling for the stoppage said: "Let there be no doubt about this, Neil died because of his outstanding work for our union and for the unity of all workers."

"His death must be commemorated in a proper manner and those that are responsible must feel our full shock and anger," he said.

## 3 Bombings in Ulster Damage Club, Hotel, Inn

The Associated Press

BELFAST — Bombs were set off at a golf club, a country inn and a hotel Monday in an apparently coordinated series of lunchtime attacks.

There were no reports of injuries, but damage was extensive in all three bombings — the first this year in Northern Ireland. The police said no one had yet claimed responsibility.

## WORLD NEWS BRIEFS

### Reagan Sets Nerve Gas Production

The Associated Press

WASHINGTON — President Reagan set the stage Monday for resuming the manufacture of chemical weapons after a 12-year moratorium. The president, in a brief letter to Speaker Thomas P. O'Neill Jr., told Congress that the production of new lethal nerve gas munitions "is essential to the national interest." Such a formal certification is required by law before production can begin.

Defense Secretary Caspar W. Weinberger, in his annual report, said that the United States plans to produce two new chemical binary weapons, a 155mm artillery shell containing the nerve agent GB and the "Bigeye" bomb, which would release a nerve agent called VX.

### Murdoch Warns He'll Shut The Times

The Associated Press

LONDON — Rupert Murdoch said Monday that The Times of London and The Sunday Times are in "desperate" financial condition, and unless the staff agrees to huge cutbacks within days he will close the newspapers, which he bought a year ago.

"As Times Newspapers stands today we are quite literally bleeding to death," Mr. Murdoch said in a personal letter to employees, "insisting" on the immediate layoff of at least 600 of the staff of 2,600.

"You will say you have heard of Times crises before. I say to you here that if the crisis facing us today is not resolved within days rather than weeks our newspapers will have to be closed," Mr. Murdoch wrote. Complaining that after a year of union negotiations the newspapers remained heavily overmanned compared with the competition, he said the two papers will lose £15 million (\$28 million) this year.

### Belgian Socialist Unions Stage Strike

Reuters

BRUSSELS — Belgium's Socialist unions staged a 24-hour strike Monday to protest government economic policies. They disrupted public transport and closed many factories.

It was the first big challenge to the plans of Premier Wilfried Martens to impose an economic austerity program in a bid to pull the country out of recession, using special powers to govern by decree granted by parliament last week.

Throughout Belgium, members of the Fédération Générale du Travail de Belgique staged pickets and held rallies and demonstrations to protest against government plans to curb wage indexation and increase taxes. The worst-affected area was Wallonia, the French-speaking southern half of Belgium.

### Jakarta Accuses 2 Russians of Spying

The Associated Press

JAKARTA — Indonesia has expelled a Soviet diplomat and arrested a Soviet citizen on charges of espionage, the Foreign Office announced Monday.

S. P. Egorov, the assistant military attaché in the Soviet Embassy, was declared persona non grata. He left Jakarta last Saturday. Informal sources said Mr. Egorov was arrested at a restaurant while receiving an important document from an Indonesian military official on Friday.

The arrested Soviet citizen was identified as Alexander Finenko, head of the Aeroflot Soviet airlines office in Jakarta. Mr. Finenko was said to be a leading member of the KGB, the Soviet secret police. He was arrested while seeing Mr. Egorov off at Jakarta's airport after a skirmish between Soviet diplomats and Indonesian intelligence officers, the Foreign Office said.

## Weinberger Calls for Limits On West's Trade With Russia

(Continued from Page 1)

ductions in domestic programs risk breaking the fragile public consensus for a military buildup. But he believes the threat is real and that it is necessary to run that risk.

A key part of the strategy laid out by Mr. Weinberger is that U.S. officials "might choose not to restrict ourselves to meeting aggression on its own immediate front." Rather, he says, the United States might counterattack in places where the enemy is more vulnerable. Suggesting that the Soviet Union has vulnerabilities in its own empire, he specifically mentions the turmoil in Eastern Europe and may also have had Soviet Asia in mind.

Mr. Weinberger also cites Soviet-enhanced military strength in Cuba that could hamper allied shipping in a European conflict. That reference could suggest a possible U.S. counteraction there. He also notes possible Soviet efforts to extend their reach into Iran.

Rather than the traditional focus on European defense, Mr. Weinberger stresses the need for the United States to move at least some forces quickly to any global trouble spot, especially the Gulf and eventually to be able to fight there.

The five-year defense plan suggests that the Navy and Air Force will carry out most of that new strategy, with a planned addition eventually of two more air wings each for the Air Force, Navy and Air National Guard, plus a buildup of the Navy from 450 to 600 ships.

To reinforce forces in Europe, Mr. Weinberger says, the United States wants to be able to move six Army divisions, a Marine brigade, 60 fighter squadrons and their support troops to Europe within 10 days, a time frame that is unattainable today.

In essence, Mr. Weinberger says

## Rebel Leader Slain In Tehran Battle With Guardsmen

Reuters

LONDON — Musa Khyabani, the top Mujahidin-in-Khalq guerrilla leader in Iran, was killed Monday in a shootout with Revolutionary Guards in northern Tehran, Tehran radio said.

The radio also said that Ashraf Rabi'i, the wife of self-exiled Mujahidin leader Massoud Rajavi; Mr. Khyabani's wife, and 10 members of the Mujahidin leadership committee were also killed in the battle, which took place at a Mujahidin hideout.

Mr. Khyabani was the leader of the Mujahidin's left wing, and ranked second in the movement. He stayed on in Iran as operational commander after Mr. Rajavi fled for Paris last July, leaving him with sole authority to act against the clerical regime.

Sources in Tehran said Mr. Khyabani's death was the worst military blow against the leftist Islamic movement. The Mujahidin have lost at least 2,000 members through executions and clashes in the last eight months.

Meanwhile, gunmen on Monday shot at an armor-plated car taking the West German ambassador to Iran, Jens Petersen, to his embassy in Tehran, a West German Foreign Ministry spokesman said in Bonn. Mr. Petersen, the driver of the car and a member of the embassy were unhurt.

## Greek Official to Visit U.S.

New York Times Service

ATHENS — George Papanicolaou, the Greek undersecretary of defense, will visit the United States in March to discuss the purchase of jet fighters and other military hardware, reliable sources said Monday. The visit will be the first by a Cabinet minister since the Socialist came to power in Greece in October.

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# Weinberger Declares Cuts Would Be 'Tragic' In Defending \$216-Billion Military Budget

By Richard Halloran  
New York Times Service

WASHINGTON — U.S. Secretary of Defense Caspar W. Weinberger has said that it would be a "tragic mistake" to cut military spending planned for 1983.

Mr. Weinberger called a news conference following dinner Sunday with Saudi Arabian leaders after being informed of criticism in the United States over the proposed \$216-billion military budget.

On Monday, Mr. Weinberger started a tour at military installations in Saudi Arabia after two days of discussions with Saudi Arabian leaders. The Associated Press reported.

Mr. Weinberger toured the Jubail naval base before flying to Dhahran for a visit to King Abdul Aziz air base, where he inspected F-15 fighters, simulators and other facilities.

At his Sunday news conference on the U.S. budget, Mr. Weinberger contended that domestic programs had not been cut to make room for military spending and asserted that they would have been cut even if President Reagan had not seen the need to increase spending on the military.

The defense secretary defended his absence from Washington while the budget was being presented to Congress. "I have already testified in the first round of hearings," he said, referring to closed sessions last week. He said that he would be ready to testify again when he returns next week.

Mr. Weinberger said that the \$4 billion earmarked for the Rapid Deployment Force was intended to protect Gulf oil less for the United States and more for Europe, Israel, and Japan, for whom he said it was vital, and to deny the oil to the Soviet Union.

On the criticism in the United States, Mr. Weinberger said, "There are some people who say they don't want to spend this much for defense." He added, "All I'm saying is that it would be a tragic mistake" to cut the amount planned for military spending.

As he has before, Mr. Weinberger argued for a steady increase in the spending. "Nothing is more disruptive of orderly progress toward the defense goal than a kind of lurching approach," he said.

He noted that defense would cost \$1.6 trillion over the next five years, a sum so large that "hardly anyone can visualize it." But he said that domestic programs would cost \$1.8 trillion during the same period.

He asserted that "many of the social programs we're talking about are programs the president has decided should be reduced or eliminated not because he needs to make room for the defense expenditures, but because those domestic social programs have long since fulfilled their purposes."

The more than \$4 billion for projecting U.S. military power into the Middle East would pay for building up and training the Rapid Deployment Force, buying air and sea transports, refurbishing local bases to which the United States might gain access and for sailing the U.S. fleet in the Arabian Sea.

But Mr. Weinberger said: "The \$4 billion is not to save the oil. America imports less than 10 percent of its oil from the Middle East." He said it was to protect the oil for Europe, Israel and Japan, which "import almost 100 percent of their oil from the Middle East." He added, "That supply is vital to them."

The defense secretary also said that "with the Soviets becoming an energy-importing nation in the next few years, the worry is that they would move down through Iran, Iraq and Afghanistan and try to seize the oil fields." He said he hoped that U.S. military power would deter the Soviet Union from that move.

That was the point that Mr. Weinberger reportedly tried to make to Saudi Arabian leaders during the day but with less than full success. Officials in the meeting said that the Saudi Arabian leaders spent much of the time pointing to Israel as the primary threat to Saudi Arabia.

Moreover, according to a Saudi Arabian general, his government viewed help from the United States only as a last resort in defending the oil, after Saudi Arabian efforts and those of other Arab nations.

He made clear that a U.S. military presence was not wanted in Saudi Arabia, even though 950 U.S. officers and enlisted personnel are currently posted to the military mission here and four U.S. Air Force AWACS (Airborne Warning and Control System) radar warning planes are on duty.

By attacking the executives of U.S. Vietnam policy, the author writes, "rather than the makers of that policy, the protesters were striking at the very heart of our democratic system — the civilian control of the military."

In November, 1965, the Army's First Cavalry division scored a significant success when it decisively defeated the 32d, 33d and 66th Regiments of the North Vietnamese army at Ia Drang.

This was the moment, Col. Summers argues, for the United States to have taken the offensive. But although "the best route to victory" would have been an offensive against North Vietnam, this would not have been in line with strategic policy, "which called for the containment rather than the destruction of Communist power."

This policy had been adopted, he emphasizes, because of the administration's fear of igniting a nuclear war or provoking Chinese intervention or both.

The North Vietnamese had launched a strategic offensive to conquer South Vietnam, he says, did not recognize this, and much of the American military and civilian effort was expended on side shows such as the then-fashionable concept of counterinsurgency.

The Army was given new missions that had little to do with fighting the enemy, such as civil affairs and setting up schools and public health missions. One consequence, he says, was the overinvolvement in South Vietnamese affairs, "a dimension of American arrogance" that saw the United States not only as the world's policeman but as the world's nursemaid as well.

President Johnson's "key strategic error," when he understood in the spring of 1965 that a limited military response would not suffice, was to make the increase in U.S. involvement "impossible to the people," the author says, adding that the failure to ask Congress for a declaration of war led to the failure to call out the reserves.

This, he contends, "led to the failure of the military leadership to push for strategic concepts aimed at halting North Vietnamese aggression and led instead to campaigns against the symptoms of aggression — the insurgency in the south — rather than against the aggressor itself."

One reason for administration policy was the fear that a declaration of war would be seen in Peking as a threat to China's security and invite intervention.

This was an acknowledged risk. However, history dealing with the period point out that China in the mid-1960's was in the first and most violent phase of the Cultural Revolution and was therefore unlikely to risk intervention that could lead to confrontation with superior American air and naval power.

The decision not to declare war put "the Army and the Republic" in a dangerous position, Col. Summers says.

The danger to the republic arose when the Army became the focus of antiwar sentiment. In past wars, dissent was directed at the government. In Vietnam it was directed at the Army.

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## Deng Is Seen As Speeding Crackdown

Analysts Say Leader Remains in Power

United Press International

PEKING — Deng Xiaoping's monthlong disappearance does not mean he has fallen from power, Chinese and Western officials said Monday.

If anything, a Western diplomat said, Mr. Deng's crackdown against his ideological enemies and corrupt or inefficient officials is "accelerating."

Mr. Deng, who as deputy chairman of the Communist Party and chairman of the military council that runs the nation's armed forces, is the nation's most powerful figure, last appeared in public Jan. 12 in Peking. There still has been no official announcement on his whereabouts or the reason for his long absence. But Chinese officials sought to dampen rumors about the 77-year-old leader.

"Even if he has withdrawn to the second line [of government], I am sure he will still be a very active leader, particularly in major decisions," an official said.

The officials said Mr. Deng was pursuing his desire to ease out of day-to-day responsibilities to concentrate on larger issues, such as the current "rectification" campaign.

"He is trying to shed some responsibilities," a Western diplomat said. "His age is always in his mind and he wants to ensure a stable succession to guarantee the men in power will continue after he is gone."

The notion of withdrawing to the "second line" was introduced by Mao in the 1950s when he gave up the state chairmanship but continued to dominate the party and government.

Mr. Deng's purge of undesirable party members and government officials continued Monday with disclosure of disciplinary actions taken in Peking and southern Guangdong province. This pushed the number of those disciplined to more than 50 within the last week.

"One gets the impression they [Mr. Deng and his allies] are accelerating the plan," the Western diplomat said. "They are serious about it."

Most people are going to be arrested and some high-level corruption trials are likely. Then we are going to have some major reorganizations."

In Peking, 28 persons have been arrested on charges of smuggling, profiteering and speculation, and 24 of them sentenced to "reform through labor," the People's Daily said.

The Guangming Daily revealed a purge in Cao Yang county of Guangdong province, which is known for extensive smuggling of luxury goods from Hong Kong.

The newspaper said "leading cadres and staff members" were arrested and "received punishment according to law."

"Big shots" who violate the law should be subjected to harsher punishment than lesser-ranking officials, the daily said.

"Never show any mercy," it urged.



Six Western tourists chatted with Thai policemen after their release by opium warlords. The tourists had been held hostage for three days in the jungles of the "Golden Triangle."

## 6 Hostages Freed by Opium Gang in 'Golden Triangle'

United Press International

BANGKOK — Three Americans, held hostage for three days by opium warlords in the jungles of Burma, said Monday they passed the hours arm wrestling and drinking moonshine with their jailers.

"We were pretty nervous at first but none of us went mentally bonko or anything and now we're all fine," Gene Patrick Glaab, 19, of Brownsville, Wis., said by telephone from northern Thailand.

Mr. Glaab was one of six tourists on a guided trek through the rugged north that ended abruptly Wednesday when they were taken prisoner by Shan soldiers loyal to Khun Sa, the drug kingpin in the "Golden Triangle," the opium fields where Burma, Thailand and Laos meet.

Also captured were James Mace, 22, a student from Oklahoma; Jeff Pratt, 21, a carpenter from California; Brigitte Voges, 25, from West Germany; Noel Battersby, 22, from Australia; and Abraham Dubowski, 39, from Norway.

Mr. Dubowski said their captors, "all about 15 years old," bound them and forced them to make an all-night trek through the jungle to a camp inside Burma near the Thai border.

Before freeing them, a Shan official gave Mr. Mace a six-page letter, reportedly from Khun Sa, addressed to President Reagan. The letter proposed that Khun Sa cooperate in opium crop substitution in Burma's northeastern Shan state, origin of 70 percent of the 600 tons of opium harvested last year in the Golden Triangle.

People are worried about the future of Hong Kong, forecast that an "appropriate way will be found" to solve the issue.

China views the preservation of Hong Kong's status as a free port and a center of business and foreign trade as the only means to preserve the territory's prosperity, the source said.

He added that "China's sovereignty must be safeguarded," but did not elaborate. Observers in Hong Kong saw this as an indication that China would resume control of the territory when the lease expires.

Hong Kong Island and the Kowloon Peninsula were ceded to Britain in the 19th century, and the colony was expanded in 1898 by the addition of the much larger "new territories" under a 99-year lease. China now considers all such treaties unequal, as they were forced on a weak and decadent Qing dynasty after defeats in the opium wars.

The newspaper said its information was received after talks in Peking between Humphrey Atkins, Britain's deputy foreign secretary, and Chinese Premier Zhao Ziyang about a month ago.

Peking's plan also suggested a two-way sharing of revenues from the area north of the Kowloon Peninsula, with provisions for administrative expenses, the newspaper said. The Chinese would get 50 percent, the Hong Kong government 20 percent, and the remaining 30 percent would cover administrative expenditures, it added.

An official Chinese source, conceding Saturday that many

## 32 Are Killed U.K. Role After 1997 In Blaze at Tokyo Hotel Is Seen for Hong Kong

United Press International

TOKYO — Thirty-two persons were killed and more than 60 injured Monday when a fire swept through the two top floors of a 10-story hotel in central Tokyo.

Eight of those killed in the fire at the Hotel New Japan were Japanese. Police said other victims included one American, 10 Taiwanese, and eight South Koreans. Five bodies have not been identified.

The dead included Kim Tae Dong, 63, a former South Korean communications minister.

Investigators said the cause of the fire had not been determined, but that it appeared to have started in a ninth-floor room.

Officials said there were no sprinklers on the upper floors of the 500-room hotel, which is located in the Akihabara nightclub district. A new sprinkler system was being installed, but the work had not been completed on the top floors, the president of the hotel, Hideo Yokoi, said.

The manager, Masao Hatano, said the hotel had financial troubles and had not been able to secure loans to cover the cost of the sprinklers.

Fire officials said the hotel was built with hollow spaces in the walls between rooms. The fire code now requires fireproof blocks that might have impeded the spread of the flames, they said.

Officials said at least three persons jumped to their deaths. A guest from Melbourne, Australia, said he saw a man clinging in a sheet dangling from a ninth-floor window. "Finally the flames got to him and he dropped," the guest said.

"It was extremely hard to breathe and the situation was near panic," said another guest. "People were falling down the stairs of the fire escape."

Hundreds of firefighters battled the fire which started about 3:30 a.m. and was put out shortly before dawn.

The death toll was the second highest in a Japanese hotel fire since World War II. A hotel fire in the eastern resort town of Kawaji in November, 1980, killed 45 persons.

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The dead included Kim Tae Dong, 63, a former South Korean communications minister.

Investigators said the cause of the fire had not been determined, but that it appeared to have started in a ninth-floor room.

Officials said there were no sprinklers on the upper floors of the 500-room hotel, which is located in the Akihabara nightclub district. A new sprinkler system was being installed, but the work had not been completed on the top floors, the president of the hotel, Hideo Yokoi, said.

The manager, Masao Hatano, said the hotel had financial troubles and had not been able to secure loans to cover the cost of the sprinklers.

Fire officials said the hotel was built with hollow spaces in the walls between rooms. The fire code now requires fireproof blocks that might have impeded the spread of the flames, they said.

Officials said at least three persons jumped to their deaths. A guest from Melbourne, Australia, said he saw a man clinging in a sheet dangling from a ninth-floor window. "Finally the flames got to him and he dropped," the guest said.

"It was extremely hard to breathe and the situation was near panic," said another guest. "People were falling down the stairs of the fire escape."

Hundreds of firefighters battled the fire which started about 3:30 a.m. and was put out shortly before dawn.

The death toll was the second highest in a Japanese hotel fire since World War II. A hotel fire in the eastern resort town of Kawaji in November, 1980, killed 45 persons.

## Study Says U.S. Erred on Vietnam Objective Colonel Faults Pursuit of Viet Cong Rather Than North Vietnamese Army

By Drew Middleton

New York Times Service

NEW YORK — A major United States mistake in the Vietnam War was seeking the destruction of the Viet Cong guerrillas rather than that of the North Vietnamese Army, according to a new study by a much-decorated former platoon leader in Vietnam.

In the study, Col. Harry G. Summers Jr. argues that the political and military leadership chose the wrong objective because after the Tet offensive of 1968, in which the Viet Cong was virtually destroyed, the war continued unabated.

The study, titled "On Strategy: The Vietnam War in Context," has aroused great interest in the American military establishment. Many officers regard it as the most incisive defense yet written of the role of the army and, to a lesser degree, the other services in the war. Col. Summers is on the staff of the Strategic Studies Institute of the Army War College at Carlisle, Pa.

The colonel writes that the Army was able to project large forces halfway around the world, which he describes as "a logistics and management task of enormous magnitude."

"On the battlefield itself," the study contends, "the Army was unbeatable. In engagement after engagement the forces of the Viet Cong and the North Vietnamese army were thrown back with terrible losses. Yet, in the end, it was North Vietnam and not the United States that emerged victorious. How could we have succeeded so well, yet failed so miserably?"

The military was partly to blame because of its neglect of strategic thinking in the period of nuclear dominance after World War II. Political scientists studied why America ought to wage war; systems analysts the means to be used. But the military, Col. Summers argues, failed to decide how the analysts' means should be used to achieve the political scientists' ends.

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Sometimes the badges measured radiation exposures below the limit. In those cases, the true levels were recorded in both the real and phony books.

But two tests — in June, 1956, and April, 1957 — were "the dirtiest ones."

"Things were very highly contaminated," Mr. Brandon said. "I mean the ground zero was hot for weeks afterwards. They didn't march people through ground zero, but they got them close."

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# John Hay Whitney, 1904-1982: A Diversity of Interests and a Life of Gusto

From birth, John Hay Whitney was assured of lifelong riches. Yet the most striking thing about him was not his wealth. It was rather his determination to use his resources not only for his own pleasure but to contribute to the general well-being.

He articulated it on a number of occasions. But more important, he put it into practice.

He was a generous contributor to political causes, education, health care and human rights. His venture-capital firm, J.H. Whitney & Co., pioneered in underwriting promising but unproven business ideas. He spent nearly \$40 million trying to save the New York Herald Tribune, despite unbeatable economic odds, because he believed in the importance of journalism and in that paper's tradition of public service. After its death, he continued as chairman of the International Herald Tribune, and of Whitney Communications Corp., through which he was deeply involved in magazine, newspaper and television interests.

He served four years as the U.S. ambassador to Britain and filled advisory roles on several presidential commissions. His love of the theater and film led him to invest in productions that enriched American drama. Beyond developing a highly regarded personal art collection, he gave time and money to the development and maintenance of two major museums.

And he pursued all those interests with a keen sense of fun, what would satisfy his gusto for life.

## Born in Maine

Mr. Whitney was born in Ellsworth, Maine, on Aug. 17, 1904, the son of Payne and Helen Whitney.

His parents' marriage in Washington in 1902 had been one of the social highlights of the era. The bride was the daughter of the secretary of state. Her father, John Hay, had been Abraham Lincoln's law partner early in his professional life, then President Lincoln's personal secretary and finally secretary of state under William McKinley and Theodore Roosevelt.

Helen Hay, in her own right, enjoyed a considerable reputation as an amateur poet and as one of America's leading horsewomen. She gave her son his lifelong nickname, Jack.

Although he never knew his grandfathers, he occasionally referred to their formative role on the country and on him personally. "One devoted all of his life to diplomacy and the arts. The other, mixed statesmanship with business — for which I'm very grateful," he said. "My own inclinations have been, like Grandfather [Hay's], more in the direction of the humanities than of economics."

On his father's side, the Whitneys were descended from John Whitney, who left England and settled in Massachusetts in 1635. His paternal grandfather, William C. Whitney, who served as Grover Cleveland's secretary of the Navy, amassed huge real estate holdings. His father, Payne, prospered and passed on to his son not only a huge inheritance but also a passion for sports.

## Star Athlete at Yale

Mr. Whitney grew up in and around New York City. At 12, he was sent to Groton School in Massachusetts, where he excelled at baseball, football and boxing. At Yale, he was a star athlete who also acquired what was to become a lifelong interest in the theater. After graduation from Yale, he attended Oxford University, New College in 1926, but returned to the United States the next year on the death of his father.

At the age of 22, Mr. Whitney became an immensely rich man. His father's estate was valued at \$179,000,000 — the largest estate that had ever been probated at that time in the United States — and Jack's portion of it was at least \$30 million. He received substantial additional amounts when he turned 40. "I had so much so young," he told an acquaintance later.

The Whitney fortune had been founded in part by his paternal grandfather, one of whose chief enterprises was the consolidation of the various railroad lines in New York City, and in part by his uncle, Oliver Payne, an early associate of John D. Rockefeller in founding Standard Oil Co. There had also been successful Whitney investments in tobacco.

Mr. Whitney abided by his father's injunction: "Just because you're rich, don't be wasteful." He disliked the idea of carrying a great deal of money with him or flashing a bankroll. To settle a poker debt, for example, he would summon a valet to bring his wallet.

Yet his spending for what he considered the necessities of life was lavish by any standard. In addition to a sumptuous town house in New York, he maintained Greentree, a 500-acre estate and mansion at Manhasset, N.Y.; a spacious summer house on Fishers Island, off New London, Conn.; a 12-room house at Saratoga Springs, N.Y., to use during the August races there; a 15-room home and plantation in the heart of 19,000 acres of bird country at Thomasville, Ga.; a golf cottage at Augusta, Ga.; a house in Surrey, England, not far from the Ascot racetrack; and a London apartment overlooking St. James' Park.

A measure of his resources is that during his term as U.S. ambassador in London, he put about \$100,000 a year of his own money into maintaining the social side of his diplomatic life.

Mr. Whitney took charge of his family affairs in 1927, but soon moved outside his inherited realm of activity to devote more of his time and fortune to backing theater productions, with marked success.

His love of the theater made him a prominent and enduring angel behind many Broadway productions, often in conjunction with his sister and with his cousin, Cornelius Vanderbilt Whitney. Among these plays were "On Borrowed Time," "Charles's Aunt," "Dark Victory," "A Streetcar Named Desire," and "Life With Father," the second longest running play in Broadway history.

His close friend, the humorist and one-time theater critic Robert Benchley, had tried to dissuade him from investing in "Life With Father," but Mr. Whitney ignored the advice and the play proved to be a smashing hit.

Mr. Whitney also ignored the skepticism of others when he became a founder of Pioneer Pictures, set up to make movies in Technicolor, a process in which Hollywood had little faith at the time.

An ardent believer that the use of color film would revolutionize movies, Mr. Whitney was vindicated when the company's initial production, "La Cucaracha," grossed more than any other short film in history.

## "Gone With the Wind"

In 1935, he joined in a partnership known as Seznick International Pictures, which produced a succession of hit films, including the 1937 version of "A Star Is Born," and two Academy Award winners, "Rebecca" and, in 1939, "Gone With the Wind."

The latter was made at Mr. Whitney's urging after he had read the best-selling novel by Margaret Mitchell and wired the company to acquire the film rights.

David O. Seznick, faced with mounting costs and Hollywood skepticism about his expensive gamble, said afterward: "What sustained me more than anything else was Jack's unflinching confidence."

The film grossed \$32 million in its first year of release — a record surpassed only in recent years by the dollar became highly inflated — and it was calculated later that the movie had brought Mr. Whitney a profit of \$1.1 million.

Mr. Whitney sold his interests in the film in the early 1940s to realize a capital gain. He had, he said, "a great deal of money" when he received the recent Whitney biography, E.J. Kahn Jr. writes that the movie "would have had to gross \$35 million more before, in the view of his



John Hay Whitney, center, in the composing room of the New York Herald Tribune on the Rue de Berri in Paris after he assumed ownership of the paper in 1958. From left are Eric Hawkins, managing editor; André Bing, general manager; Mr. Whitney; Paul Krausch, a printer, and Richard Beecher, the composing room foreman. Mr. Krausch, who recently retired as foreman, is the only survivor.

top tax bracket, he could keep the equivalent of what he was able to net by selling it outright."

A volunteer in World War II, he rose to the rank of Army Air Force colonel. Captured by the Germans in southern France in 1944, he aroused concern in American military circles because of the fear that the Nazis might learn they were holding a high-ranking intelligence officer. But he led a daring midnight escape from a moving troop train under air attack.

This experience, he said later, was a personal turning point, not only because it confirmed his courage but also because his contact with other captured U.S. servicemen, some of whom seemed to have little understanding of why they were fighting, helped motivate Mr. Whitney after the war to involve himself more directly in enhancing public appreciation of the values underlying American life.

Mr. Whitney's major business involvement for many years was J.H. Whitney & Co., an investment company which he created in 1946 and in which he continued as senior partner. In those days, there were few doors open to businessmen with unorthodox ideas except rich men — and they had few facilities for screening propositions.

J.H. Whitney & Co. was a pioneer in providing high-risk venture capital for interesting but unproven entrepreneurial opportunities that could not gain financing through normal commercial channels.

The company's successes through the years included Minute Maid orange juice, the first major commercial application of the freezing technology developed during World War II. There were also notable successes in synthetic chemicals, oil and data processing — all credited to Mr. Whitney's combination of investment risk-taking and vigilant management.

## Republican Fund-Raiser

Active in liberal Republican politics as an important fund-raiser and counselor, he was an early supporter in the campaign to win the nomination and the presidency for Dwight D. Eisenhower in 1952.

A frequent bridge and golfing partner of Eisenhower, he stayed on the liberal wing of Republican politics. In 1964, Mr. Whitney broke with the party.

Under the headline, "We Choose Johnson," the New York Herald Tribune endorsed the incumbent, Democrat Lyndon B. Johnson against Sen. Barry Goldwater, the conservative Arizona

Republican, whose views on civil rights and nuclear theory disturbed Mr. Whitney. The paper's editorial page was a preeminent Republican voice — the Johnson endorsement was the first time the newspaper had backed a Democrat for president since it came into being in 1924 in a merger — and the reaction in the Republican Party was one of shock.

In Eisenhower's second term, and yielding to the president's personal insistence, Mr. Whitney served for four years as ambassador to Britain, succeeding his grandfather at a half-century interval.

After assuming the ambassadorship in 1957, he was widely credited with improving British-American relations in the period of strain caused by the Suez crisis of 1956.

His success in restoring the special Anglo-American link was attributed to his attention to the workday aspects of the ambassadorship as well as the social activities. His direct manner of speech and his natural dry wit made him a popular social figure in London and stood him in good stead as U.S. representative.

## Herald Tribune Years

It was during his years in London that Mr. Whitney's involvement with the Herald Tribune began. In 1957, Whitney Communications Corporation, of which he was chairman, lent \$12 million to the financially troubled paper,

which had been operated by Ogden Mills Reid since the Reid family merged its New York Tribune with the New York Herald in 1924. After subsequent infusions of capital, Mr. Whitney purchased control of the morning New York newspaper and its Paris-based European edition in 1958.

When Mr. Whitney went back to New York from London in 1961, he turned full attention to the paper's mounting problems, assuming the titles of editor in chief and publisher and moving his office to the editorial floor of the paper's 41st Street headquarters.

"I did it because I had to," Mr. Whitney said afterward in explaining why he had become involved in the paper.

Over the next five years, Mr. Whitney spent nearly \$40 million in his effort to save the paper, which eventually succumbed on Aug. 15, 1966 — the 113th day of an epic newspaper strike that deprived the city of newspapers for much of the year and resulted in the demise also of two other major New York papers, the World Telegram & Sun, and the Journal American.

The decision to shut the paper was wrenching for a man who believed strongly in the value of the Trib as "a force for good," as he once explained it. Years later, Mr. Whitney still said he sometimes woke up at night wondering whether he had done all he could to try to save the paper.

Mr. Whitney took a special interest in keeping alive what was then known as the Paris edition of the Herald Tribune. He went into partnership with The Washington Post and a year later with The New York Times, which merged its own European edition into the venture, to form a paper renamed in May, 1967, the International Herald Tribune.

## Whitney Communications

Mr. Whitney became chairman of the newspaper and his publishing company, Whitney Communications Corp., its managing partner.

At the time the joint operation was set up, the paper, which had been founded in Paris in 1857, was circulating at about 60,000 copies a day, primarily to Americans in France and neighboring countries. By the time of the chairman's death 15 years later, it was selling more than 140,000 copies a day in 143 countries, with a majority of its circulation among non-Americans, and had printing sites in London, Zurich and Hong Kong as well as Paris.

Whitney Communications Corp., a diversified publishing and broadcasting enterprise that also publishes a variety of special interest magazines and newspapers, operates several cable television franchises and owns 29 community newspapers.

In the 1960s, the corporation's publishing interests included Interior Design and Parade magazines as well as the New York Herald Tribune and its Paris affiliate.

In the 1970s, Whitney Communications Corp. acquired a number of additional properties that included Art in America, Hockey News, Boating Industry, the Oil Daily and 50-Plus. Its wholly owned subsidiary, Corinthian Broadcasting Corp., owned and operated five television stations until it was merged with Dun & Bradstreet Inc. in 1971. Mr. Whitney served as a director of Dun & Bradstreet from 1971 to 1975. Parade magazine was merged with Booth Newspapers Inc. in 1973.

## Philanthropic Interests

Mr. Whitney's interest in philanthropy took a variety of forms, both in money given and time spent for causes he found worthy. But perhaps the activities that consumed his philanthropic interests the most were those supported by the John Hay Whitney Foundation.

He set up the foundation in 1949 to support underprivileged individuals in the field of education, spending more than \$5 million in the next 20 years. In 1970, the foundation shifted focus to support individuals from minority groups seeking to make educational, social and economic changes in their communities. Mr. Whitney contributed an additional \$12 million for these purposes to the foundation by 1979.

Large amounts of time were devoted to other public-minded bodies. He served on several advisory groups under the Eisenhower administration, including the President's Commission on Foreign Economic Policy. In 1954-1955, he was vice chairman of the Secretary of State's Public Committee on Payments.

He served on the board of New York Hospital from 1927 to 1974, when he was elected a life governor. He was also a founding member of the board of trustees of North Shore Hospital in Manhasset in 1950 and served as co-chairman of the board in 1973, when he became co-chairman emeritus.

All these institutions benefited from contributions of substantially more than \$1 million each during his lifetime.

## Yale Endowment

As a graduate of Yale, he was especially generous to that university and inspired generosity in others, notably in the endowment of the John Hay Whitney Professorship in the Humanities, which his friends created in his honor.

Mr. Whitney served as senior fellow of Yale from 1970 to 1973 and was a fellow of the Yale Center for the Study of the University's managing board, from 1953 to 1970. With his endur-

## Whitney on a Newspaper's Role

When John Hay Whitney took over the New York Herald Tribune in August, 1958, he told a friend that he had agreed to come to the aid of the paper "because I had to." In a more formal statement, quoted by E.J. Kahn Jr. in "Jack," the Whitney biography published last year by Doubleday & Co. Inc., Mr. Whitney gave this explanation:

I took over the Herald Tribune because I believed in its importance to our community, and because I could bring in resources to strengthen it. . . . I won't belabor the well-worn theme of "the role of a newspaper in a modern world." Let me only say that it must be a force in the community, a force for good, a force for reason and a force for understanding. . . .

In saying that the Tribune should be a force for good, I recognize that I am in an ill-defined area to which each person has his own chart. I think there is good in a spirit of moderation, one which doesn't wear the brands of extremism or intolerance, but rather welcomes diversity and proceeds with patience. I think there is a good in a concern for human welfare and human dignity, recognizing that neither by itself is enough but both are necessary. There is good, too, in the spirited political life this nation enjoys. . . .

A newspaper doesn't have to compromise; freedom is the essence of a responsible press. And responsibility — by which I mean a devotion to truth and conscience, wherever this scatters the chips — is, I deeply feel, an inescapable obligation of a free press. . . .

We are not proclaiming omniscience or the discovery of a new and magic formula. But I do hope, through the combined and coerced talents gathered at the Herald Tribune, to provide a voice that will be heard.

ing attachment to the university. Mr. Whitney gave strong support to Kingman Brewster, president of the university and subsequently one of Mr. Whitney's successors as ambassador to Britain, against conservative alumni reaction during the time of student agitation in the 1960s.

In the decades after World War II, Mr. Whitney and his wife, Betsey, assembled probably the finest collection of fauvist and neo-impressionist paintings in the United States. They also owned important works of major American artists such as Gilbert Stuart, Eakins, Whistler and Sargent.

He was on the board of the Museum of Modern Art for 46 years starting in 1930 and was president of that New York City museum in 1941 and chairman from 1946 to 1956. In 1976, he was named an honorary trustee for life.

He also was a trustee of the National Gallery in Washington for nearly 20 years starting in 1961.

Enthusiasm for Horses

Another lifelong Whitney enthusiasm was horses, a family tradition he shared with his only and much-loved sister, Joan Whitney Payson, who died in 1975. (Her own sporting fervor extended to her enthusiastic ownership of the New York Mets baseball team.)

From their mother, often described as "first lady of the American horse," they inherited a large strain of breeding, a breeding farm in Kentucky, Greentree Stud, and Greentree Stable on Long Island.

Of all the winning race horses that carried the Whitney silks, his favorite was probably Tom Fool, a horse that had been so sickly when it was young that it was kept out of the Triple Crown races in 1952 as a 3-year-old. Yet Tom Fool was Horse of the Year in 1953 and was voted Horse of the Decade in 1960 by the U.S. Turf Writers Association.

Recognized as a breeder and judge of horseflesh, Mr. Whitney was, at the age of 24, the youngest member ever elected to the Jockey Club, the governing authority for thoroughbred horse racing in the United States. He served eight terms as a steward, or racing judge, of the club between 1928 and 1980.

He was also president of the American Thoroughbred Breeders Association for 18 years and was a trustee of the New York Racing Association. He also served as a state racing commissioner from the inception of that organization in 1934 until 1943. He was one of a small group of foreigners admitted to honorary membership in the Jockey Club of Britain.

## Captain of Polo Team

Mr. Whitney's love of polo was another family tradition. He was captain of the "Greentree Team," which set a record by winning two U.S. Open championships in succession. (Time magazine put Mr. Whitney on its cover in 1933 in

polo clothes; he stopped playing in 1940.)

Mr. Whitney was a compact man who stood 6 feet 1 inch. In his later years, his hair was gray and combed back over his head. His face, which was ruddy, was generally set in seriousness, an attitude accentuated by his light self-eye-glasses.

He was an amiable companion, but with a limited fund of small talk. He suffered from a slight speech impediment, a stutter that he succeeded largely in overcoming. Nevertheless, he shied even from dictating letters to a secretary, preferring instead to scribble even the most inconsequential messages as notes in an almost indecipherable handwriting.

Mr. Whitney's first marriage, to Mary Elizabeth Altman in 1927, ended in divorce in 1940. Two years later he married Betsey Cushing Roosevelt, whose marriage to James Roosevelt, the eldest son of President Franklin D. Roosevelt, had ended four years earlier.

She was the daughter of the late Dr. Harvey Cushing, the noted neurosurgeon, and a sister of the late Barbara Cushing Paley (her husband, William Paley, heads CBS, Inc.) and of the late Mary Cushing Forsburgh, who was married first to Vincent Astor and later to the painter James Foshburg.

A dutiful party-giver on a small scale, he shunned nightclub and jet-set life after World War II, and in 1945 he confounded some of his acquaintances by having his name dropped from the New York Social Register.

"If you willingly go along with such a travesty of democracy as the Social Register," he said to a friend, "you tacitly subscribe to its absurd notions as to who is and who isn't socially acceptable."

For all the splendor in which he lived, and for all his restlessness, Mr. Whitney was regarded by his associates as a thoughtful person, not given to vulgar display.

"I've never known Jack to throw his weight around," a close associate once remarked. "He's a team player. He's usually a quiet member of a board. When he has suggestions, they're usually good ones; I've never known him to put the Whitney interests above the company's."

"He always was interested in the course that would make the most sense over the long run," a colleague said.

Another recalled a typically long and serious business conference, filled with ambitious projections and earnest exhortations, all of which Mr. Whitney listened to with great interest. When he finally spoke, however, it was to close the meeting by putting the charts, graphs, plans and budgets into their proper perspective. "Let's do this," he declared, "and let's do it well. But above all, let's have fun doing it."

## Asher Ben-Mazliah Halley

TEL AVIV (AP) — Asher Ben-Mazliah Halley, 87, the high priest of the ancient Samaritan community, one of the world's smallest religious factions, died during the weekend and was buried Sunday near Nablus on the occupied West Bank.

Mr. Opie and his wife, Iona, collected spoken and written information about the rhymes, games and customs of children. In 1951, the Opies published the dictionary, which has become a major work on the subject.

## Peter Opie

LONDON (AP) — Peter Opie, 63, an expert on the folklore of childhood and co-publisher of the Oxford Dictionary of Nursery Rhymes, died Friday.

## A Nonbeliever in Eurocommunism Urges a Pro-Soviet Party in Spain

By James M. Markham

MADRID — With the Communist Party of Spain in disarray over the doctrine and practice of Eurocommunism, a former Jesuit is championing the formation of a rival, pro-Soviet party.

"We believe in proletarian internationalism," said Francisco Garcia Salve, 51, a former worker-priest, invoking orthodox Marxist-Leninist phraseology to oppose the Eurocommunist tenet that Western European Communists can prosper by behaving democratically and independently of Moscow.

"We believe in Leninism," he went on. "We believe that the Soviet Union is capable of making mistakes but that American imperialism is far worse than all of the Soviet Union's mistakes."

Mr. Garcia Salve, who joined Spain's Communist Party in 1976 and was expelled from its Central Committee last summer, said that a congress would be held in May to pull dissident groups from Madrid, Málaga, the Canary Islands and Castile into a new party that was still to be named.

In addition, pro-Soviet Communists in the industrialized northeast plan a separate congress in April to form another breakaway party. The northeast is a leftist bastion of the Communist Party's 22 members of parliament are from Catalonia — but the Catalan Communist Party is splintered into four factions.

groups reflect the tumult Spanish Communists have lived through as Santiago Carrillo, the party's embattled secretary-general, has tried to translate Eurocommunism from theory into practice.

In addition to inciting the Soviet Union's wrath, Mr. Carrillo has also angered large sections of his own party. Thousands of professionals and intellectuals have deserted, complaining that the 67-year-old secretary-general preaches democracy but does not practice it within the party.

The party's disarray is reflected as well in its poor electoral performance. In the 1979 parliamentary elections, the Spanish Communists polled only 10 percent of the vote. Most polls today put them lower.

Party membership has also dropped precipitously. A little more than three years ago, the party had 200,000 members. Now, according to party sources, it has fewer than 100,000.

Miguel Boyer, a Socialist intellectual, said people once thought the Spanish party "was going to be like the Italian Communist Party," the biggest political organization on the left. But now, he said, the Spanish Communist Party appears to have no future.

Mr. Garcia Salve was expelled from the Central Committee last summer on charges of being a "demagogue, anarchy-syndicalist and petty bourgeois." These terms amount to an accusation of being excessively pro-Soviet.

Conversing in his labor law office, Mr. Garcia Salve predicted that the pro-Soviet political organization he was championing would be a big one. He said he and his associates had rallied about 5,000 people to their cause.

A tall, thunderous orator, Mr. Garcia Salve emerged in the late 1960s as a hero of the underground opposition to the Franco dictatorship.

In 1976, a year after Franco died, Mr. Garcia Salve scandalized Roman Catholics by renouncing his vows, marrying and becoming a Communist, ending a 27-year career as a priest.

While Mr. Carrillo has denounced the military crackdown in Poland, the former priest expressed the view that the imposition of martial law there was "inevitable."

"We believe the Polish Communist Party made some bad mistakes," said Mr. Garcia Salve, "and the first one was to allow Solidarity to come into existence. And another was not to have checked the ill-omened influence — and, mind you, I am a believer — of the Polish Roman Catholic Church, which is one of the most retrograde in the world."

Brezhnev Hails Marchais

MOSCOW (UPI) — Soviet leader Leonid I. Brezhnev congratulated Georges Marchais Monday on his re-election as head of the French Communist Party.

## Pentagonese Comes Through In Red Type

WASHINGTON — The Pentagon has bought \$5 million worth of East German typewriters since 1978, it was reported Monday.

The Washington Post said that the manual Olympia typewriters are being bought at \$147, that is, about \$60 less per unit than the equivalent product imported from non-Communist nations.

No one really has a good reason for the U.S. military to stop buying the typewriters from East Germany, the Soviet Union's leading military ally, the newspaper reported. There is no law, the Post said, to prevent the General Service Administration, the procurement arm of the government, from continuing to buy the typewriters. Most of the machines are going to the Army.

The Treasury Department approves of the purchase arrangement. The Post said, because it provides East Germany with more dollars to spend on American products, especially grain.

Some protests are expected when the law is approved by the government because religious sects are known to be opposed to abortion. With parliament closing by the regime, the military rulers can approach the most delicate issues.

Most Turks favor legalizing abortion. The practice has become common and is often performed under precarious conditions, according to social workers.

Bus Crash Kills 2 in U.S.

LUCERNE VALLEY, Calif. — A bus carrying teen-agers and several adults from a religious retreat went out of control on a mountain highway and plunged over an embankment Sunday, killing two persons and seriously injuring 15.

## Turkey Plans to Legalize Abortion And Allow Voluntary Sterilization

By Marvinne Howe

ANKARA — Turkey is again taking the lead on women's rights in the Islamic world with preparations for a law to legalize abortion and permit voluntary sterilization.

Similar abortion legislation proposed four years ago stirred heated parliamentary debate and was blocked by the small rightist and Islamic parties.

Now the military rulers, who took power in September, 1980, have decided to approve legislation that they consider "good for the country." This would include the abortion bill, according to sources close to the leadership.

## Religious Opposition

The action of the generals is in line with the policies of Mustafa Kemal Ataturk, the founder of modern Turkey, who ardently believed in the equality of the sexes and, half a century ago, gave Turkish women social and political rights beyond those of any other Moslem country.

Some protests are expected when the law is approved by the government because religious sects are known to be opposed to abortion. With parliament closing by the regime, the military rulers can approach the most delicate issues.

Most Turks favor legalizing abortion. The practice has become common and is often performed under precarious conditions, according to social workers.

Every year about 500,000 Turks have abortions and about 10,000 die from complications, according to public figures. Social workers say that only about 25 percent of the women can afford to have an abortion performed by a gynecologist in a private office, a procedure that costs between \$50 and \$70.

Poor women generally resort to self-induced abortions at home.

The Ministry of Health and Social Welfare recently presented the abortion bill to the premier, but then withdrew it to correct certain omissions, the minister of health, Kaya Kiliçarslan, was quoted as saying.

"When the new abortion law is passed it should be more liberal than that of any other Moslem country and even many European states," said Dr. Ziya Durmus, director of the Ankara Maternity Hospital and a founder of Turkey's family planning association.

## Tunisia Was First

Dr. Durmus pointed out that Tunisia was the first Islamic country to legalize abortions, but they are permitted only after a woman has had four children. The new law passed by the Kuwaiti parliament is similar to the law in force in Turkey.

Under the Turkish penal code, women who have abortions and doctors who perform them are subject to imprisonment of one to four years. The only exceptions are if a woman's life is endangered by the pregnancy or if the normal de-

## Henry S. Morgan, Of U.S. Banking Family, Dies at 81

NEW YORK — Henry Sturgis Morgan, 81, a founding partner of the Morgan Stanley & Co. Inc. investment banking firm and grandson of J. Pierpont Morgan, died Sunday.



# Getty Museum Will Soon Receive \$1.3 Billion; Art World Ponders the Effects of Huge Legacy

By Barbara Isenberg

Los Angeles Times Service

LOS ANGELES — In 1976, J. Paul Getty died and the art world was staggered by reports that he left \$700 million in oil stocks to his art museum in Malibu, Calif.

As it turned out, that was just the start. After more than five years of legal entanglements, the Getty legacy is expected to come out of probate any day now. When it does:

• The \$700-million gift in Getty Oil Co. stock will have appreciated to almost \$1.3 billion. That would make the J. Paul Getty Museum the richest in the United States — and probably in the world.

• Executors and lawyers handling the estate will have been awarded \$26.4 million.

• The museum could be required by federal tax law to spend almost \$54 million the first year and similar sums year after year.

Museum president Harold Williams and his coterie of program development officers and investment counselors are trying to figure out how best to invest the fortune and to distribute the income growing out of those investments. As Getty representatives scout the world for prime art and prime staff people to care for it, the folks back at home have their own problems. Among them is determining how to spend all that money without causing chaos in the art market, alienating financially pressed museum colleagues and being what Getty Museum director Stephen Garrett calls "arrogant, flagrant and dollar-waving."

## 'Enhancing' Art World

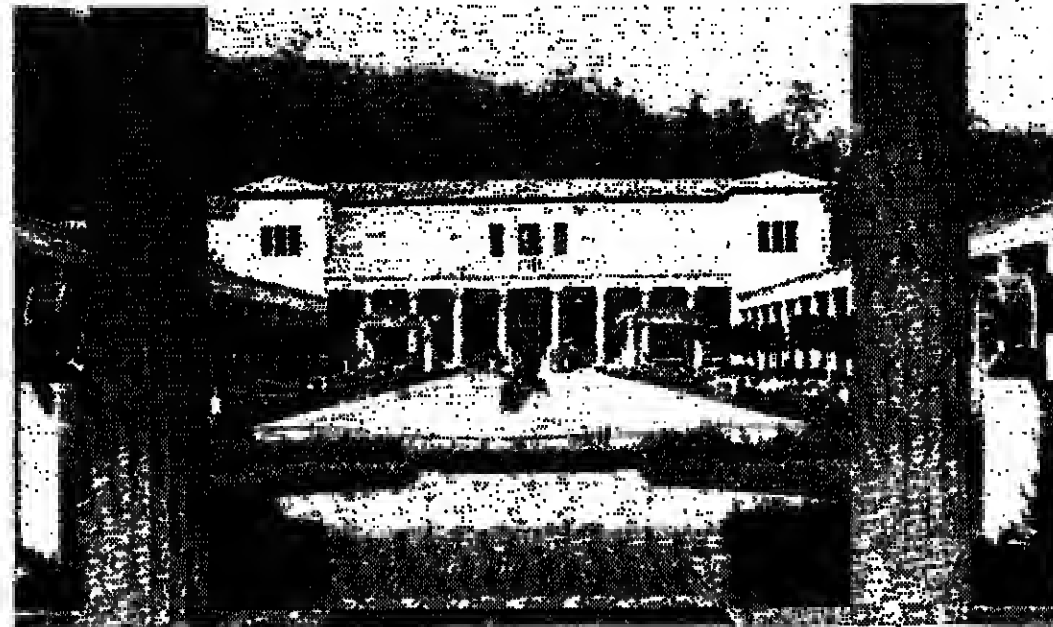
It will not be easy. It took only \$4.5 million to run the Getty Museum last year, and even the far larger Metropolitan Museum of Art in New York operates on \$27 million a year. No other U.S. museum will have the Getty's dollar power. Williams spends considerable time explaining how the Getty sees itself as enhancing the art world rather than consuming it.

Not that the Getty will give the money away. Unlike such grant-making foundations as Ford or Rockefeller, the Getty is an operating foundation, and that means it must be involved in the programs that it funds.



J. Paul Getty

What might those programs be?



Getty Museum: Legacy will make it one of richest in U.S.

Some possibilities: a technologically sophisticated art research and study center — probably not at Malibu — and expansion of the Getty's photo archives, conservation activities, library and fellowships. The Getty may also provide link-ups with research centers around the world, put money into scholarly art publishing and expand to include another museum building in the Los Angeles area.

Formal spending plans are still months away, however, and Williams' sentences are laden with generalities, assumptions and qualifiers. His only unqualified remark: "This institution will make what is probably the largest single contribution to the arts field of any public or private institution in the world over the next decade."

Getty wrote in his 1976 autobiography, "As I See It" (published after his death), that when he began collecting art he bought "what pleased and appealed to me and I bought for myself." In "The Joys of Collecting," another of the nine books he wrote, Getty described launching his lifelong passion in the Orient in 1912 with the purchase of two Chinese bronzes and ivory carvings. Next came a painting by Jan van Goyen in 1920, followed over the years with Greek and Roman antiquities, French decorative arts, and more and more Renaissance and Baroque paintings.

## Tax Deduction

In the early 1950s, Getty accountant Norris Bramlett suggested that the tycoon start a museum and get a charitable tax deduction. In 1953, Getty set aside five rooms of his Malibu ranch house for just that purpose.

"It was very small-scale," recalls Bramlett, now vice chairman of the museum trustees. "If we had eight or 10 people in one day, it would be a crowd."

After Getty moved abroad, the crowds and collection kept growing at the ranch house, until Getty finally opted for a new building. In 1970, construction started down the hill on Getty's re-creation of the classical Villa dei Papiri, a Roman villa at Herculaneum.

The museum's new \$17-million home (it is within the Los Angeles city limits, but uses a Malibu mailing address) opened in 1974 to mixed reviews and plenty of visitors. About 300,000 people amble through its quiet gardens and galleries each year.

Getty never saw the new museum; he ran it by phone from England. Yet museum staff members say he approved every purchase — and frequently initiated many — and he served as museum director until his death in 1976.

## Willed Shares

The museum was willed 4 million shares of Getty Oil stock, an asset valued then at about \$700 million. The estate has been held up by lawsuits and tax disputes for more than five years, during which time the stock split 4 to 1 and the museum profited from high interest rates and two well-timed stock sales.

Getty endowed the museum with more than \$40 million before his death, and museum staff members have said publicly that they were surprised that he left such a big chunk of his estate to the museum as well.

"He always said we should get by on what we had," says Burton Fredericksen, curator of paintings, "but because he had few other philanthropies, it wasn't obvious to whom else he would give it, so the hope was there."

Fredericksen and his colleagues could not plan ahead for such largesse, however, and Getty said Bramlett said no instructions were left for trustees, either. "Mr. Getty never left instructions because he didn't believe in trying to control something like that from the grave," said Bramlett, who also served briefly as museum director after Getty's death. "He left the future up to the trustees."

In the late 1970s, the trustees approved more staff to oversee publications, arrange for lecturers, increase purchases of photos for the archives and books for the library and otherwise aid the three museum curators. The curators, meanwhile, planned future pur-

chases and bought what they could on what money was available.

About \$53 million went to the museum between 1977 and 1979 after trustees petitioned the probate court for partial distributions. Bramlett said. Distributions then stopped because of complications resulting from legal action by Getty's son Jean Ronald Getty — settled out of court last year for \$10 million — but not before the museum had made such stunning acquisitions as its 1977 purchase of the "Getty Bronze," a 4th-century B.C. Greek sculpture.

Getty wrote in "How to be a Successful Executive" that few decisions were "more critical than those involved in hiring or promoting executive personnel," and his trustees apparently took heed. Even before hiring Williams, a former chairman of the Securities and Exchange Commission, they brought in Otto Wittman, the highly regarded director emeritus of the Toledo Museum.

Hired first as a consultant in 1978, Wittman became a trustee in 1979 and, later that year, vice chairman. When the board established an acquisitions committee, he chaired it. And in 1980, when trustees created a chief curator position to coordinate the work of the three curators, Wittman took that on temporarily as well.

Getty trustees no longer plan to restrict themselves to the three areas that most interested J. Paul Getty: classical antiquities, French decorative arts and Baroque and Renaissance paintings. Wittman, for instance, speaks of "broadening" the collection to one that begins with classical antiquities and encompasses Western culture up to the beginning of the 20th Century.

"What we're looking at," said Williams, the museum president, "is a quality collection of individual pieces within predetermined areas of collecting. It is not our intention that we become a general purpose museum. We are more likely to emulate a Frick than a Metropolitan as far as collecting is concerned."

## Pewter Proper

But it is probable that ice cream was already an old story to him in 1782. He had eaten it, for instance, at the Alexander Hamiltons, though at what date I do not know, for it is listed on one of their dinner menus, which has been preserved solely because of its association with the French minister. Two years later he bought in Philadelphia (already the capital of ice cream) a "cream machine for making ice" which might also have been described as an ice machine for making cream — at a cost of one pound, 13 shillings and fourpence.

## Hardwood Hardship

He did, however, record having eaten roast wild turkey in the woods, using a large chip sliced from a tree as a plate. This is usually cited as an example of hardship (what! no porcelain in the woods?), but if Washington thought the experience memorable enough to be written down, it was perhaps because he appreciated that meal as one eaten in what from an unsophisticated point of view might be considered ideal conditions: fresh-killed turkey (no nose about hanging it), eaten in the pure air of the forest, probably spit-roasted; but we cannot rule out the possibility that the chip added to the flavor. It could have been planked turkey. Pre-Columbian Indians cooked some food on slabs of wood and taught this technique to the white man, though they were likelier to do this with fish than with game.

Washington made the only trip of his life outside the country in 1751, when he was 19, accompanying his elder brother Lawrence to Barbados. George was impressed by the exotic tropical fruits of the island, and listed several of them in his diary — guavas, sapodillas, and "forbidden fruit." This might have meant avocados, which have been granted a gallant reputation. We know he tasted them, but he did not commit himself about their flavor. "The Avocado pair is generally most admired," he informed his diary cautiously. He admitted to one enthusiasm: "none pleases my taste as does the pine" — that is, the pineapple.

It may be assumed that Washington ate well as a youth; Virginia plantation families usually did. Cooking was of course confined largely to slaves, who were often extremely good at it, but the ladies of their owners took pride all the same in their own skill in the kitchen. We catch a glimpse of his mother making the thick breakfast pancakes dear to America, in contrast with the thinner European crepes, and pouring over them a sauce of maple syrup and honey heated together.

## 'Hardtack Pie'

There is some doubt about who actually compiled the family recipe book now in the possession of the Pennsylvania Historical Society, which I have seen variously ascribed to Washington's mother, to his mother-in-law, Frances Custis, and to his wife, Martha Custis. One of its notable recipes was for "A Grand Leg of Lamb," and an elaborate concoction it was. The leg of lamb was boned, then stuffed with a filling of bread crumbs, thyme, marjoram, lemon rind, capers, anchovies and, of course, salt and pepper. It was served roasted, accompanied by sweetbreads, kidneys and sausages, and lapped with anchovy sauce.

Reports on Washington's eating habits that are not based on documentary evidence — first of all his own journals — are usually to be regarded with suspicion. There is the story, recounted by a single writer, of how the dish known as Philadelphia pepper pot was created at Washington's personal command by "the head chef of all the Revolutionary armed forces" to feed the soldiers at Valley Forge. This bears all the earmarks of a fable created out of whole cloth — to begin with, the very idea of a "head chef" at Valley Forge, where, Washington wrote, he had to "forage the country oaks" and "eat every kind of horse food but hay," is ludicrous.

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## NYSE Nationwide Trading Closing Prices Feb. 8

Tables include the nationwide prices up to the closing on Wall Street.

12 Month Stock High Low Div. Yld. P/E Stk. High Low Div. Yld. P/E Stk.

125	40	1.00	1.00	1.00	1.00	1.00	1.00	125	40	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
126	41	1.00	1.00	1.00	1.00	1.00	1.00	126	41	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
127	42	1.00	1.00	1.00	1.00	1.00	1.00	127	42	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
128	43	1.00	1.00	1.00	1.00	1.00	1.00	128	43	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
129	44	1.00	1.00	1.00	1.00	1.00	1.00	129	44	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
130	45	1.00	1.00	1.00	1.00	1.00	1.00	130	45	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
131	46	1.00	1.00	1.00	1.00	1.00	1.00	131	46	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
132	47	1.00	1.00	1.00	1.00	1.00	1.00	132	47	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
133	48	1.00	1.00	1.00	1.00	1.00	1.00	133	48	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
134	49	1.00	1.00	1.00	1.00	1.00	1.00	134	49	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
135	50	1.00	1.00	1.00	1.00	1.00	1.00	135	50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
136	51	1.00	1.00	1.00	1.00	1.00	1.00	136	51	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
137	52	1.00	1.00	1.00	1.00	1.00	1.00	137	52	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
138	53	1.00	1.00	1.00	1.00	1.00	1.00	138	53	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
139	54	1.00	1.00	1.00	1.00	1.00	1.00	139	54	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
140	55	1.00	1.00	1.00	1.00	1.00	1.00	140	55	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
141	56	1.00	1.00	1.00	1.00	1.00	1.00	141	56	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
142	57	1.00	1.00	1.00	1.00	1.00	1.00	142	57	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
143	58	1.00	1.00	1.00	1.00	1.00	1.00	143	58	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
144	59	1.00	1.00	1.00	1.00	1.00	1.00	144	59	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
145	60	1.00	1.00	1.00	1.00	1.00	1.00	145	60	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
146	61	1.00	1.00	1.00	1.00	1.00	1.00	146	61	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
147	62	1.00	1.00	1.00	1.00	1.00	1.00	147	62	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
148	63	1.00	1.00	1.00	1.00	1.00	1.00	148	63	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
149	64	1.00	1.00	1.00	1.00	1.00	1.00	149	64	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
150	65	1.00	1.00	1.00	1.00	1.00	1.00	150	65	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
151	66	1.00	1.00	1.00	1.00	1.00	1.00	151	66	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
152	67	1.00	1.00	1.00	1.00	1.00	1.00	152	67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
153	68	1.00	1.00	1.00	1.00	1.00	1.00	153	68	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
154	69	1.00	1.00	1.00	1.00	1.00	1.00	154	69	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
155	70	1.00	1.00	1.00	1.00	1.00	1.00	155	70	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
156	71	1.00	1.00	1.00	1.00	1.00	1.00	156	71	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
157	72	1.00	1.00	1.00	1.00	1.00	1.00	157	72	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
158	73	1.00	1.00	1.00	1.00	1.00	1.00	158	73	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
159	74	1.00	1.00	1.00	1.00	1.00	1.00	159	74	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
160	75	1.00	1.00	1.00	1.00	1.00	1.00	160	75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
161	76	1.00	1.00	1.00	1.00	1.00	1.00	161	76	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
162	77	1.00	1.00	1.00	1.00	1.00	1.00	162	77	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
163	78	1.00	1.00	1.00	1.00	1.00	1.00	163	78	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
164	79	1.00	1.00	1.00	1.00	1.00	1.00	164	79	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
165	80	1.00	1.00	1.00	1.00	1.00	1.00	165	80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
166	81	1.00	1.00	1.00	1.00	1.00	1.00	166	81	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
167	82	1.00	1.00	1.00	1.00	1.00	1.00	167	82	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
168	83	1.00	1.00	1.00	1.00	1.00	1.00	168	83	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
169	84	1.00	1.00	1.00	1.00	1.00	1.00	169	84	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
170	85	1.00	1.00	1.00	1.00	1.00	1.00	170	85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
171	86	1.00	1.00	1.00	1.00	1.00	1.00	171	86	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
172	87	1.00	1.00	1.00	1.00	1.00	1.00	172	87	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
173	88	1.00	1.00	1.00	1.00	1.00	1.00	173	88	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
174	89	1.00	1.00	1.00	1.00	1.00	1.00	174	89	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
175	90	1.00	1.00	1.00	1.00	1.00	1.00	175	90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
176	91	1.00	1.00	1.00	1.00	1.00	1.00	176	91	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
177	92	1.00	1.00	1.00	1.00	1.00	1.00	177	92	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
178	93	1.00	1.00	1.00	1.00	1.00	1.00	178	93	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
179	94	1.00	1.00	1.00	1.00	1.00	1.00	179	94	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
180	95	1.00	1.00	1.00	1.00	1.00	1.00	180	95	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
181	96	1.00	1.00	1.00	1.00	1.00	1.00	181	96	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
182	97	1.00	1.00	1.00	1.00	1.00	1.00	182	97	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
183	98	1.00	1.00	1.00	1.00	1.00	1.00	183	98	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
184	99	1.00	1.00	1.00	1.00	1.00	1.00	184	99	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
185	100	1.00	1.00	1.00	1.00	1.00	1.00	185	100	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
186	101	1.00	1.00	1.00	1.00	1.00	1.00	186	101	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
187	102	1.00	1.00	1.00	1.00	1.00	1.00	187	102	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
188	103	1.00	1.00	1.00	1.00	1.00	1.00	188	103	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
189	104	1.00	1.00	1.00	1.00	1.00	1.00	189	104	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
190	105	1.00	1.00	1.00	1.00	1.00	1.00	190	105	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
191	106	1.00	1.00	1.00	1.00	1.00	1.00	191	106	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
192	107	1.00	1.00	1.00	1.00	1.00	1.00	192	107	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
193	108	1.00	1.00	1.00	1.00	1.00	1.00	193	108	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
194	109	1.00	1.00	1.00	1.00	1.00	1.00	194	109	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
195	110	1.00	1.00	1.00	1.00	1.00	1.00	195	110	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
196	111	1.00	1.00	1.00	1.00	1.00	1.00	196	111	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
197	112	1.00	1.00	1.00	1.00	1.00	1.00	197	112	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
198	113	1.00	1.00	1.00	1.00	1.00	1.00	198	113	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
199	114	1.00	1.00	1.00	1.00	1.00	1.00	199	114	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
200	115	1.00	1.00	1.00	1.00	1.00	1.00	200	115	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
201	116	1.00	1.00	1.00	1.00	1.00	1.00	201	116	1.00	1.00	1					



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# Budget Jolts U.S. Business Community

From Agency Dispatches  
**NEW YORK** — President Reagan's 1983 budget proposal has set off alarm bells in the U.S. business community.

While most business leaders said the new budget contained few surprises, many apparently had hoped for some last-minute reprieve from the projections for very large budget deficits in the next few years.

Instead, the budget proposal stirred predictions of higher interest rates, further deterioration of the economy and even talk of the possibility of a financial crisis.

"High deficits will push interest rates higher until the economy really goes into a nose dive," said Felix G. Rohatyn, a partner at Lazard Freres.

"The economy is already very weak, and a few more months of this could get very scary. Then all the bets are off, and we will be facing some very different issues, like how to cope with a half dozen very large business entities on the edge of insolvency."

Similarly, Roger Altman, who was an assistant secretary of the Treasury under President Carter and is now a partner at Lehman Brothers Kuhn Loeb, said, "Unless the administration takes a new initiative, events are going to move beyond their control."

"Whether it is the collapse of a very major industrial or financial entity or a surge to very high unemployment, something is going to happen in 1982 that will force them to make a significant change in their strategy."

## 'Credit Crunch' Possible

David Jones, of Aubrey G. Langston, said the budget showed a "severe mismatch between prolonged monetary restraint and a loose fiscal policy."

The result, he said, will be high interest rates which might curtail, shut businesses out of the long-term borrowing which they

## Regan Offers No Guarantee on Deficit

**WASHINGTON** — Treasury Secretary Donald Regan said Monday there is no guarantee the 1983 budget deficit will remain within the administration's prediction of \$91.5 billion.

Asked in a televised interview if there is any guarantee that the deficit will not go higher, Mr. Regan said, "Obviously, there can't be any guarantee because one never knows what the state of the economy will do. There could be any number of untoward outside happenings that would throw things off."

While acknowledging that the 1982 and 1983 deficits are very large, he said, "They are no larger relative to our gross national product than deficits were in 1974, 1975 and some other years."

For example, he said, the deficit projected for fiscal 1983 would amount to 2.7 percent of projected GNP in that year, compared with the 4 percent of the GNP that the 1976 deficit reflected.

need to replace costly short-term debt. The budget increases the possibility that such a "credit crunch" may occur, he said.

The administration says large budget deficits do not force up interest rates and crowd private borrowers out of credit markets. Administration officials argue that in recoveries from previous recessions, budget deficits have been high but interest rates have fallen.

But Elliott Platt, money market analyst at Donaldson, Lufkin and Jenrette, countered, "In those instances, interest rates were contained by the weakness of private demand."

"The federal budget deficits were placing upward pressure on rates, but that pressure was offset by the weakness in the private sector."

Mr. Jones also said that in previous recoveries, the Federal Reserve had been accommodative, helping the economy along by allowing substantial expansion in money supply. This time, he said, the Fed is clearly determined to hold the monetary reins tightly in its continuing attempt to win a lasting reduction in inflation, he said.

said, "My immediate concern is that the whole economy is so bad that various taxes won't make much of a difference."

"If interest rates do not come down, we're not going to get the type of reinvestment that will support the economic scenario the administration is talking of."

The predictions of further difficulties did not seem to shake the faith of those who think the administration's program eventually will rescue the economy.

John D. deButts, former chairman of American Telephone & Telegraph Co., commented, "I don't like big deficits, either, and obviously they will be a strain on the economy. But I still feel we're on the right track, and I just want to see us let it work."

Another argument advanced by the administration is that the 25 percent three-stage personal tax cuts already legislated will bring a sharp increase in savings, providing a bigger pool which can be invested in securities.

Consequently the borrowing needs of the government can be easily absorbed by credit markets without pushing up interest rates.

Richard Neuenman of Girard Bank, Philadelphia, said that the change in the savings rate will not be "material enough to drastically alter the problem of financing a \$100-billion-plus deficit year after year."

And Mr. Jones, while conceding that the savings rate is rising and is likely to rise further from the current 6 percent to between 7 percent and 8 percent, said that as long as shorter term securities continue to have as high or higher yields than long-term bonds, savers will prefer short-term investments, especially in a time of economic uncertainty.

This will keep long-term rates from falling and prevent companies from borrowing long-term, he said.

For fiscal 1983, the president's new tax proposals take back about 70 percent of the corporate tax reductions provided in the Economic Recovery Tax Act, said Emil M. Smiley, an economist with the accounting firm of Deloitte Haskins & Sells, who was deputy assistant secretary of the Treasury for taxes in the Carter administration.

But David L. Margolis, president of Coli Industries, who served as a member of New York City's Emergency Financial Control Board,

## BUSINESS NEWS BRIEFS

### Canso Unit in U.S. Files to Reorganize

**CALGARY, Canada** — United Canso Oil & Gas said its J.E. Carter Energy unit has filed to reorganize under Chapter 11 of the U.S. bankruptcy code, which gives it legal protection while it restructures.

Canso said its U.S. subsidiary, which owns Carter, has loaned Carter \$6.7 million and the amount of the subsidiary's loss, if any, cannot be determined yet. Canso said its U.S. subsidiary acquired Carter for \$200,000 in August, 1981, to secure oil and gas leaseholdings in Texas.

### Continental Airlines Seeks Loan to Avoid Cutsbacks

**LOS ANGELES** — About 5,000 employees, representing half the work force of troubled Continental Airlines, face layoffs unless a short-term \$25 million loan and worker concessions are forthcoming, Roy M. Rawls, chief financial officer, said.

Mr. Rawls' comments Saturday came a day after Continental announced its lenders had cut off funds under a \$125 million revolving credit arrangement to assure future short-term loans are secured by the airline's assets. Last week, Continental reported a record \$60.4 million loss for 1981.

Mr. Rawls said Continental can return to break-even levels by the end of the year if the loan materializes and employees agree to work-rule and productivity concessions. He said he was confident Continental can secure the \$25 million loan, needed to meet immediate payroll and other expenses, by taking out a second mortgage on its 16-story building at Los Angeles International Airport.

### Southeast Seeks to Void Chemical-Florida Merger

**MIAMI** — Southeast Banking said it filed suit in the U.S. District Court seeking to void a merger agreement between Chemical Bank and Florida National Banks of Florida and expects its directors to meet later this week to consider a plan to make an exchange or tender offer for the shares of Florida National.

Chemical announced Friday a definitive agreement to acquire Florida National when permitted to do so by banking laws.

Southeast gave no details of its proposed tender for Florida National. It said its lawsuit charges that, among other things, the merger agreement and related transactions between Chemical and Florida National violate banking, federal securities, and other laws and seek to deprive Florida National shareholders of the benefit of other potential merger proposals.

## Trade Threat Seen by EEC in U.S. Plan

**WASHINGTON** — An EEC trade official began talks Monday with the Reagan administration over the possibility of a trade dispute.

The official, who declined to be named, said that international trade would be jeopardized if Congress retaliates against foreign competition.

Wilhelm Hafkamp, the European Economic Community's commissioner for external relations, told reporters Sunday that certain proposals being considered by Congress "could start the end of the multilateral system and cause great danger for world trade."

Mr. Hafkamp said the United States and the EEC must resist political and economic pressures for trade protectionism.

The partners have common political and economic needs and cannot afford a trade war, he said.

But he acknowledged that current disputes over steel and agricultural trade, which will top the agenda during the two days of talks, were very serious.

EEC officials have charged that unfair trade practice actions filed against community members by U.S. steel companies are a form of harassment that will undermine European efforts to restructure the steel industry in Western Europe.

U.S. law provides for the imposition of penalty duties if the U.S. steel companies can show economic injury as a result of illegal subsidies or "dumping" by foreign producers.

"We strongly hold the opinion that such evidence is lacking," Mr. Hafkamp said, adding that European steel imports account for less than 1 percent of the U.S. market.



Wilhelm Hafkamp

A preliminary ruling on the question of economic injury will be announced by the U.S. International Trade Commission later this month. But final rulings may not come until the summer — an almost unbearable wait for the European industry, Mr. Hafkamp said.

Neither the Europeans nor the Americans expect any resolution of the steel dispute at this week's talks. "It is very unlikely we will do more (on steel) at this meeting than exchange notes," a U.S. official said.

**Resentment**

EEC officials made little effort to hide their resentment over U.S. complaints about European agricultural subsidies.

Mr. Hafkamp repeatedly stressed that international agreements allow subsidies for farm products unless they provide a country with an unfair share of the world market.

The United States has filed formal complaints, about European subsidies for wheat, flour, poultry, sugar, canned fruit and pasta.

## NYSE Prices Dive on U.S. Deficit Projection

**NEW YORK** — Prices on the New York Stock Exchange fell Monday to their lowest level in more than three months under the combined weight of President Reagan's proposed budget deficit for 1983 and disappointing money-supply figures.

The Dow Jones industrial average fell 17.60 points to close at 833.43, its lowest close since Oct. 29, 1981, when it hit 832.95. Declines outnumbered advances by more than five to one, and volume fell to 48.5 million shares from 53.35 million Friday.

Analysts said President Reagan's projection of a \$91.5-billion budget deficit in fiscal 1983 fueled concerns that interest rates will remain high for some time.

The budget deficit is spooking both the bond and stock markets, Newton Zinder, senior vice president at E.F. Hutton, said.

Some analysts said early in the day that the market was trying to establish a base or support level at the 840 mark, causing selling to ease off at that point. But Mr. Zinder said "there is nothing magical about the 840 level."

The average has not closed below 840 since Jan. 13, when it hit 838.95, and some analysts predicted it may continue to fall to its September low of 824.01.

Most of the budget's provisions — calling for a massive military buildup and further deep cuts in social programs — had been anticipated. Analysts and lawmakers expect the budget to undergo major rewriting in Congress and consider Mr. Reagan's deficit projection too low.

"The size of the proposed deficit reinforces the market's uneasiness about interest rates," Dreyfus Vice President Monte Gordon said. "It tends to indicate the Fed's restrictive monetary policy won't change. The Fed will have little room to ease."

The Federal Reserve Friday reported that the U.S. money supply, seasonally adjusted, fell \$1.4 billion for the latest week. This was, however, not as big a decline as was expected.

Chase Manhattan Bank and Marine Midland Bank Monday joined other major banks by raising their prime to the prevailing 16 1/2 percent rate.

Chase, the second-largest commercial bank in the United States, did not comment on its move, but economists have attributed the

## UAW Seeks Reopener In Ford Contract Talks

**DETROIT** — The United Auto Workers will ask for an automatic reopener clause in the contract negotiations with Ford, union sources said Monday as the talks resumed.

The UAW asked for an automatic reopener at General Motors during talks that collapsed Jan. 28. The clause would have reopened the contract for negotiations if car sales improved to a specified level.

The sources said that at Ford no such trigger reopening level has been set. But they said Ford's offer of profit-sharing could raise the issue of an automatic reopener level based on sales.

At General Motors, a reopener triggered by a rise above the average level of sales from 1977 through 1980 was proposed.

They said the UAW also will make proposals designed to protect jobs when Ford moves more production to the table.

Ford's proposal, to run through Sept. 14, 1984, asks the company's 106,200 autoworkers to accept a wage freeze until June 6, 1983, to accept one-week cuts in paid vacations and to forfeit eight annual

paid personal holidays. New hires would have to wait five years before getting full wages and benefits.

In exchange, the No. 2 U.S. automaker offered to guarantee at least 50 percent of base pay for laid-off workers with at least 15 years' seniority, a profit-sharing program, improved retirement and supplemental unemployment benefits, a transfer program for laid-off senior workers and a one-year moratorium on plant closings.

Chrysler, meanwhile, joined Ford and General Motors and Monday began offering rebates of up to \$2,000 on certain car and truck lines.

GM started the latest round of rebates on Jan. 29, after the collapse of its concession talks with the UAW. Ford last Wednesday matched the GM scheme, acknowledging it did so only because of GM's actions.

While no deadline on the Ford talks has been set, bargainers had said they hoped to wrap up negotiations by late this week. On Saturday, Ford's chief negotiator, Peter J. Pestillo, said they could last another week.

## CURRENCY RATES

Interbank exchange rates for Feb. 8, 1982, excluding bank service charges.

	S	E	D.M.	F.F.	I.L.	G.M.	B.K.	S.F.	D.C.
American Express	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of America	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Montreal	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Paris	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Tokyo	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of London	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of New York	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Zurich	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Geneva	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Bern	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Basel	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Lucerne	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of St. Gallen	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Appenzel	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Schwyz	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Uri	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Nidwalden	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Obwalden	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Glarus	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Zug	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Fribourg	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Valais	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Neuchâtel	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Vaud	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
Bank of Fribourg	2.57	4.76	10.74	43.18	6.95	15.17	6.45	13.50	25.47
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## Buying Stabilizes Rubber Price

(Continued from Page 7)

48 percent of the world's rubber, has 500,000 small landholders, many of whom depend almost entirely on rubber for their livelihood. Thus the actions of the rubber organization are particularly important to this nation's economy.

The consumption of rubber plunged in 1981 as the recession worsened in the United States. The U.S. automobile industry, which uses 60 percent of the world's natural rubber, cut back sharply on its purchases.

The market authority of the International Natural Rubber Organization, though confirmed by only 24 of the world's 31 rubber-trading nations, was put into effect in late 1980.

### Big Surprise

The agreement that is the basis of the organization is expected to be ratified by the remaining nations, including the Soviet Union, by April 22.

When the rubber organization began operating, "prices were at all-time highs," Mr. Reid said. "None of us ever thought it would do this," he said, referring to the market decline.

From late 1980, rubber prices

dropped almost daily. By mid-February last year, the price fell from the "must-sell" range and below, into the "may-sell" range.

Between April and October, 1981, the price plunged drastically until mid-October, when it reached the limits of the organization's "may-buy" range — the "blue line" to which Mr. Reid referred. Prices were falling rapidly into the "must-buy" price level when the organization intervened.

Mr. Reid has the sole responsibility for keeping rubber above the first danger zone, designated by a blue line drawn on his price chart. Now, in the weakest market in three years, Mr. Reid, with about \$150 million collected from member nations since last October, is about the only buyer in the market.

But, under the impact of daily buying, the market has begun to stabilize, and has actually managed to inch slightly upward since the organization's intervention.

### Its Only Activity

"I think INRO had something to do with it," said K. Algam, the organization's executive director.

Beyond its impact on the world market, the organization has no

power of its own. Created by the International Natural Rubber Agreement of 1979, the International Natural Rubber Organization is a neutral third party in the customary bickering between the producers and the consumers of rubber until the agreement expires in 1984.

Mr. Reid is not allowed to divulge how much rubber he has bought, nor when or where. But, by dealing through brokers, the organization has purchased several thousand tons of rubber of various grades on markets in Singapore, London, Tokyo, Kuala Lumpur and New York since October. And, had the organization not moved to stabilize the market, Mr. Reid believes that prices would have dropped further.

"If we are not stabilizing the price," Mr. Reid said, "we've bought a hell of a lot of rubber."

Buffer stocks, which are a common mechanism to protect commodities, have worked with varying success. The agreement to establish the organization, which set up the first such buffer stock for rubber, is the only commodities accord thus far negotiated under the United Nations auspices and is the only one to attempt to base its market-stabilization efforts on market trends rather than on arbitrary price floors and ceilings.

Malaysian Discontent  
Still, the rubber organization is so new that no one is certain that it will work. And, now that it has been able to act for the first time, producers are beginning to question whether the agreement under which it was formed provides them with enough protection.

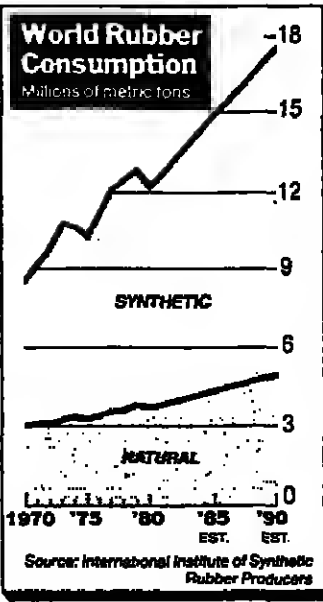
Malaysia has been urging that the price structure be lifted to allow the organization to act more quickly to offset falling prices.

"The International Natural Rubber Organization must, as a matter of urgency, update their price ranges so that the stabilization mechanism does effectively what it is intended for and allegedly designed to do," said B.C. Sekhar of the Malaysian Rubber Research and Development Board.

**U.S. Gold Exchange To Add 4 Coins to List**

**The Associated Press**  
NEW YORK — The new American Gold Coin Exchange unit of the American Stock Exchange will trade in four additional coins beginning Wednesday, a spokesman said Monday.

The market has been trading exclusively in Canadian "Maple Leaf" coins since it began trading Jan. 21. The new coins will be the Austrian 100 Corona, the South African Kruggerand, the Mexican 50 peso, and the Mexican one ounce coin.



## Malaysia Asserts New Rules For Tin Market Are Unfair

Reuters

KUALA LUMPUR, Malaysia — The Malaysian government, attacking recent changes in regulations on the London Metal Exchange, said Monday that the time has come for producers to explore the possibility of setting up an alternative arrangement for the marketing of tin.

Datuk Paul Leong, the country's primary industries minister, also said that the government could not rule out a production cutback to counteract what it called disruptive disposals of tin from the U.S. strategic stockpile.

Malaysia, which has protested to the United States over its stockpile releases on the international market, announced a week ago it has begun discussions with other major producers on the possible formation of a producers association.

Mr. Leong, raising the possibility that Malaysia and other producers could divert their tin from the LME, said last week's move to change the market's rules had cast "serious doubts on the LME being an efficient and fair market mechanism."

### Market Distortion

"It is unfortunate that such an institution in which a large amount of our tin has been sold should now seek to protect short sellers who are depressing an already weak tin market through excessive and indiscriminate short selling," he said.

Short-sellers sell tin for delivery at a future date in the hope prices will fall between sale and delivery, producing a profit.

Mr. Leong said the move to limit

the penalty imposed on short-sellers and then fail to deliver tin according to the terms of the contract "was but a recent example of how even the working of a commodity market can be distorted to favor certain groups."

The LME, faced with a dealers' scramble for supplies to meet obligations to a mystery buyer largely in control of the market, decided to limit the penalty to be paid by short sellers for deferring their commitments until tin is more readily available.

"It might well be that producers have to set up their own marketing arrangement and if need be to work out a central marketing arrangement," Mr. Leong said.

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## COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

### France

Year	1981	1980
Perrier		
Revenue	60.0	52.5

### United States

Year	1981	1980
Anheuser-Busch		
Revenue	925.0	862.5
Profits	43.8	35.1
Per Share	0.97	0.78

Year	1981	1980
Du Pont		
Revenue	3,550	3,300
Profits	217.0	177.2
Per Share	4.79	3.80

Year	1981	1980
General Signal		
Revenue	8,440	3,350
Profits	228.0	275.0
Per Share	1.35	1.34

Year	1981	1980
General Signal		
Revenue	22,800	13,700
Profits	1,800	744.0
Per Share	5.81	4.73

Year	1981	1980
General Signal		
Revenue	434.9	394.9
Profits	32.0	29.92
Per Share	1.17	1.13

Year	1981	1980
General Signal		
Revenue	1,700	1,520
Profits	N.A.	104.21
Per Share	4.23	4.01

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N.A.V. as of 31-1-82  
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**INFORMATION:**  
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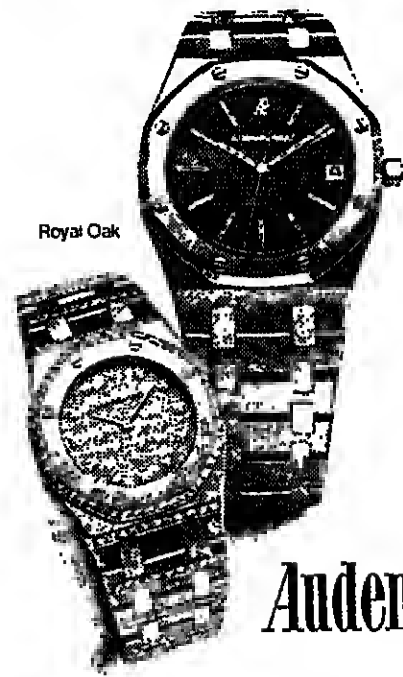
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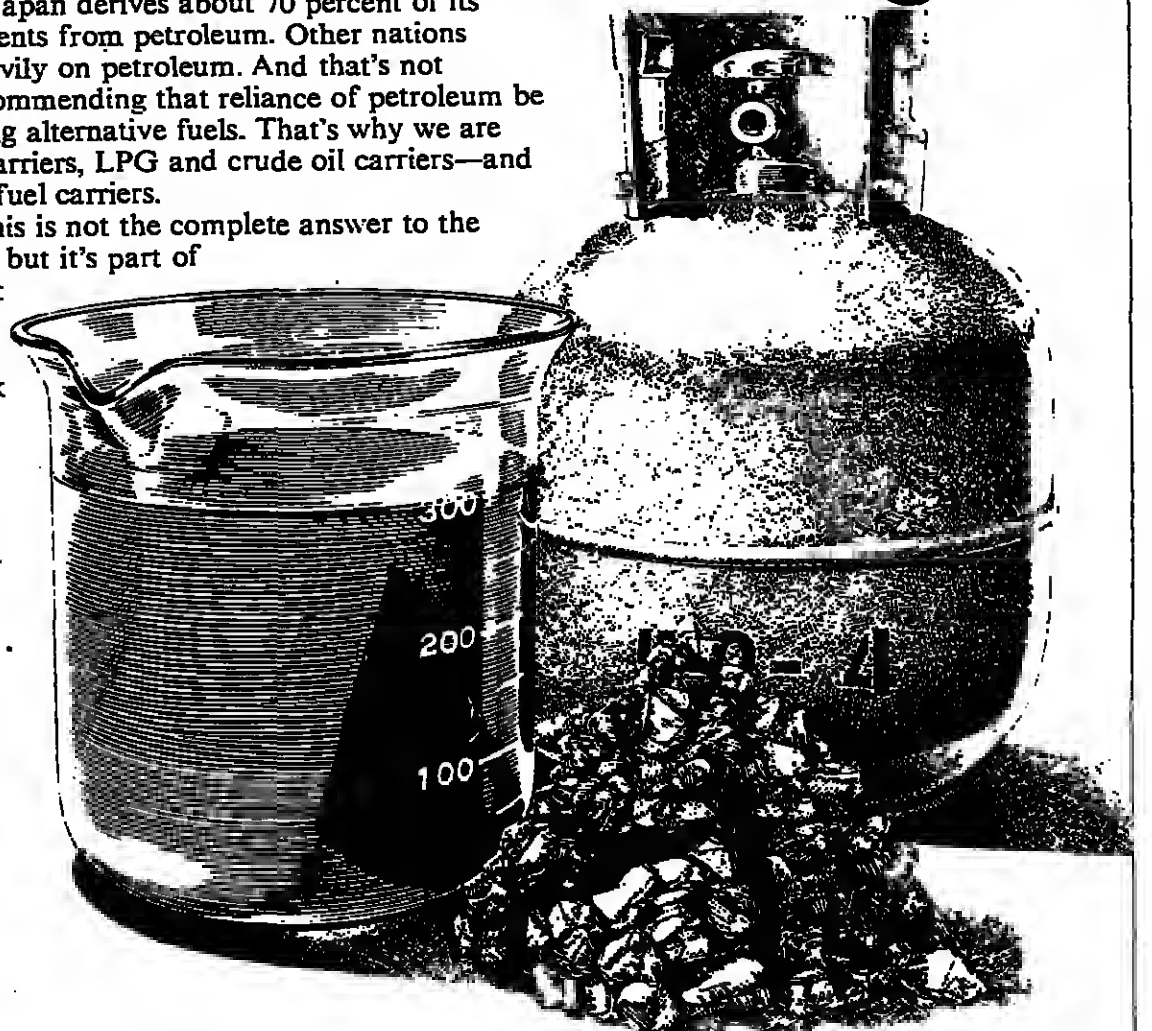
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## AMEX Nationwide Trading Closing Prices Feb. 8

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## Art Buchwald

## Cooling It U.S. Style

WASHINGTON — "There is only one way the country is going to get out of its funk," said Balful.

"How's that?" I asked as we drank coffee in his office at the Balful Refrigerator Co.

"The consumer has to start buying American," he said, slamming his fist down on the desk. "Every time an American buys a foreign refrigerator it costs one of my people his job. And every time one of my people is out of work it means he or she can't buy refrigerators."

"It is a vicious circle," I said.

Balful's secretary came in. "Mr. Thompson, the steel broker, is on the phone."

"Thompson, where the hell is that steel shipment from Japan that was supposed to be in last week?" I do not care about had weather. We're almost out of steel and I'll have to close down the refrigerator assembly line next week. If you can't deliver when you promise, I'll find myself another broker."

"You get your steel from Japan?" I asked Balful.

"Even with shipping costs, their price is still lower than steel made in Europe. We used to get all our sheets from Belgium, but the Japanese are now giving them a run for their money."

The buzzer on the phone alerted Balful. He listened for a few moments and then said, "Excuse me, I have a call from Taiwan."

Buster, bow are you coming with those door handles for the Mark Four? Look, R&D has designed a new push-button door handle and we're going to send the specs to you. Tell Mr. Chow if his people send us a sample of one and he can make it for us at the same price as the old handle, we'll give him company the order."

A man came in with a plastic container and said, "Mr. Balful, you said you wanted to see one of these before we ordered them. Here are the containers for the ice-maker in the refrigerator."

Balful inspected it carefully

and banged it on the floor a couple of times. "What's the price on it?"

"Hong Kong can deliver at \$2 a tray and Dong-Fu Plastics in South Korea said they can make it for \$1.70."

"It's just a plastic tray. Take the South Korean bid. We'll let Hong Kong supply us with the shelves for the freezer. Any word on the motors?"

"There's a German company in Brazil that just came out with a new motor and it's passed all our tests. So Johnson has ordered 50,000."

"Call Cleveland Motors and tell them we're sorry but the price they quoted us was just too high."

"Yes, sir," the man said and departed.

The secretary came in again and said, "Harry telephoned and wanted to let you know the defrosters just arrived from Finland. They're unloading the boxes now."

"Good. Any word on the wooden crates from Singapore?"

"They're at the dock in Hoboken."

"Thank heaven. Cancel our order from Boise Cascade."

"What excuse should I give them?"

"Tell them we made a mistake in our inventory or we're switching to fiberglass. I don't care what you tell them."

Balful turned to me. "Where were we?"

"You were saying that if the consumer doesn't start buying American this country is going to be in a lot of trouble."

"Right. It's not only his patriotic duty, but his livelihood that's at stake. I'm going to Washington next week to tell the Senate Commerce Committee if they don't get off the sticks there isn't going to be a domestic refrigerator left in this country. We're not going to stay in business for the hell of it."

"Pour it on them," I urged him.

Balful said, "Come out with me into the showroom."

I followed him. He went to his latest model, and opened the door. "This is an American refrigerator made by the American worker, for the American consumer. What do you have to say to that?"

"It's beautiful," I said. "It puts the foreign imports to shame."

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## A Visit to the Real 'Brideshead'

By Steven Ratner

New York Times Service

YORK, England — "Brideshead Revisited," the British television adaptation of the Evelyn Waugh novel running on Public Broadcasting Service stations in the United States, is fiction, but the setting for the bulk of the 11-part series is no stage set.

For television purposes, Brideshead is an early 18th-century stately home called Castle Howard, which sits majestically above a 10,000-acre estate near Conyesthorpe, 15 miles northeast of York.

Like most stately homes these days, it is open to the public (although, unlike most, it has been open since its construction). And as stately homes go, Castle Howard — which is not at all castle-like — is among the most impressive, a rambling, ecclesiastically Baroque structure.

Castle Howard was commissioned and has been occupied from the outset by the Howards, a patrician family that has owned the land on which the house stands for 1,000 years and was awarded an earldom in the 17th century.

The current occupant, George Howard, is cousin to the 12th earl, a property division in the early 1920s having left the earl with an even grander seat in the northwestern corner of Cumberland.

Howard, a gregarious, roly-poly man, is chairman of the British Broadcasting Corp. (The series was, however, produced by Granada Television, a division of the BBC's independent rival.) One of his sons lives at Castle Howard as manager of the estate; Howard and his other three sons visit almost every weekend.

From Easter until the end of October, the family opens the house to paying visitors — about 150,000 last summer and probably far more this year.

"I like the summer here the best," said Howard, as he sat in an imposing sitting room in his private quarters in the east wing. "I don't mind the public — I welcome them." He also delighted in the presence of the actors and film crew, who spent about five months filming in 17 of the house's 100-plus rooms.

Castle Howard was chosen to represent Brideshead, the seat of the fictional Marchmains, because it was closest to the model castle by Waugh in writing the book. The author apparently visited Castle Howard only once, but several of its elements appear distinctly in the novel.

"The original of Brideshead can doubtfully be traced to many great houses which Evelyn knew, but I fancy that a strong contribution was made by Castle Howard," wrote Christopher Sykes, Waugh's biographer. "The sumptuous and majestic lantern of Castle Howard may well have suggested the dome of Brideshead and the fountain facing its south front is of the proportions and magnificence of the fountain described in the book."

Fans of both the novel and the television version of "Brideshead Revisited" will not find Castle Howard an exact fit. A few scenes were shot elsewhere, and the placement of rooms was in some instances cinematically rearranged to conform to literary requirements.

"At first the house is meant to seem awesome, then more like a

home and, finally, as a dominating presence," said Charles Sturridge, 30, the director of the television series.

For the visitor, the mood of Castle Howard begins to unfold as one's car navigates the immaculately straight five-mile approach road, broken only by two single-lane archways that convey a sense of guardhouses and walls. For several hundred years, Henderskelfe Castle, gutted by fire in 1693, occupied the grounds.

Then comes a 90-degree right turn at a 100-foot-high obelisk, and suddenly the house looms amid a sea of perfectly manicured green lawns, much as it unfolds for Charles Ryder on his first visit to Brideshead at the start of the series.

The house was the first structure designed by John Vanbrugh, who went on to greater fame as the architect of Blenheim Palace. Working with him was Nicholas Hawksmoor, who was an apprentice to Christopher Wren and later designed Christ Church in London. As was the common custom, Castle Howard, designed in 1699, was altered as it rose, slowly, from 1700 to 1737.

"I don't know exactly how many rooms there are," said Howard, as he gave a recent tour. "My best count is somewhere between 130 and 140."

There is a tourist entrance in the west wing, which was completed in 1759 to a more Palladian design by Sir Thomas Robinson, brother-in-law of the fourth earl. The interior of the wing was not finished until about 1800, and the ornate chapel was not fitted out until 1875. The chapel is an almost overpowering amalgam of gilt and marble; its Victorian-ness contrasts sharply with the rest of the house.

By far the most impressive room is the entrance hall, a soaring space 70 feet high and 52 feet square, which would seem awkward but for a variety of arched openings, balconies and high windows that allow vast amounts of sunlight to play across the hall and the frescoes that fill the walls.

Next comes a series of public

rooms, which Howard tossed off with a wave of the hand but which in any ordinary house would be awesome. All are crammed full of furniture, objects d'art, pictures, tapestries and other results of several centuries of collecting — statuary by the fourth earl, paintings by the fifth earl, and so on.

My favorite room was the Long Gallery, where in Brideshead, Rex gives Julia her jeweled tortoise. Running the length of the western edge of the house, what would be an endless room is broken into three by an octagonal space. The room has more delicacy and airiness than the rest of the house, with its wall of windows and polished oak floor making it sparkle in the sunlight.

Several grand rooms are not part of the tour; they are being restored from damage done by a fire in the 1940s when the house did war service as a school. ("They saved all the girls, and the pictures got burned," said Howard.) Also omitted are some rooms prominent in the novel, notably the Archbishop's Room, in which Laurence Olivier, as Lord Marchmain, dies.

Several of the outbuildings are important in their own right as well as for their place in the Brideshead story. A particular delight is the Temple of the Four Winds, designed by Vanbrugh in 1724-26 and the setting for the Charles and Sebastian wine-tasting.

Castle Howard's former stables boast what Howard describes as the finest private collection of costumes in Britain. The costume galleries were formed in 1965, in part because Howard was eager to recycle the disused buildings, which were designed in 1782 by John Carr.

Vanbrugh's cupola rises 70 feet above the floor of the entrance hall of Castle Howard.

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PEOPLE:

N.Y. Parade Officials Honor Bobby Sands

The late Irish Republican Army hunger striker Bobby Sands has been named honorary grand marshal of New York's St. Patrick's Day parade — the first person to be given the honor in more than half a century. Officials affiliated with this year's parade, the 220th, said that Sands, who was a member of Parliament from Northern Ireland and the first hunger striker to die at Belfast's Maze Prison last year, was the first honorary grand marshal named since 1927. Picked as marshal of the parade was Brother Charles Quinn, 69, an assistant to the president of Iona College in New Rochelle, N.Y.

The conductor Maxim Shostakovich, who knows what it's like to leave his homeland, led the New Japan Philharmonic Orchestra in a benefit concert for Indo-Chinese refugees in Japan. The 43-year-old conductor, who defected to the United States from the Soviet Union last April, said, "I'm now a member of the country with a light heart. I sympathize with the Indo-Chinese refugees who had to leave their country." Shostakovich went to Tokyo at the invitation of Refugees International and the Association to Aid for Indo-Chinese Refugees. Of the 5,187 boat people who arrived in Japan for temporary asylum after the fall of Saigon in 1975, 3,520 have still to settle in Western countries.

The jazz pianist and composer, Eubie Blake celebrated his 99th birthday at a party at Gallagher's Restaurant in New York. On hand to wish him all the best was Lil Armstrong, widow of another jazz great, Louis Armstrong.

Itzhak Perlman, one of the world's greatest violinists, is now Dr. Perlman. "He's tickled to death to be made an M.D.," said Dr. Albert P. Sabia, who presented Perlman with an honorary medicine doctor degree from the Medical University of South Carolina in Charleston, S.C. Sabia, the developer of the oral polio vaccine, read the citation to Perlman, 36, who was crippled by polio at age 4. "It's a career-worn you, you are a refreshing spirit of courage and joy. You have transformed music into a healing art among nations," Sabia, awarded an honorary doctorate of medical science, was lauded as a great healer and humanitarian.

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RETIREMENT HOMES, Surrey, luxury apartments, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801,